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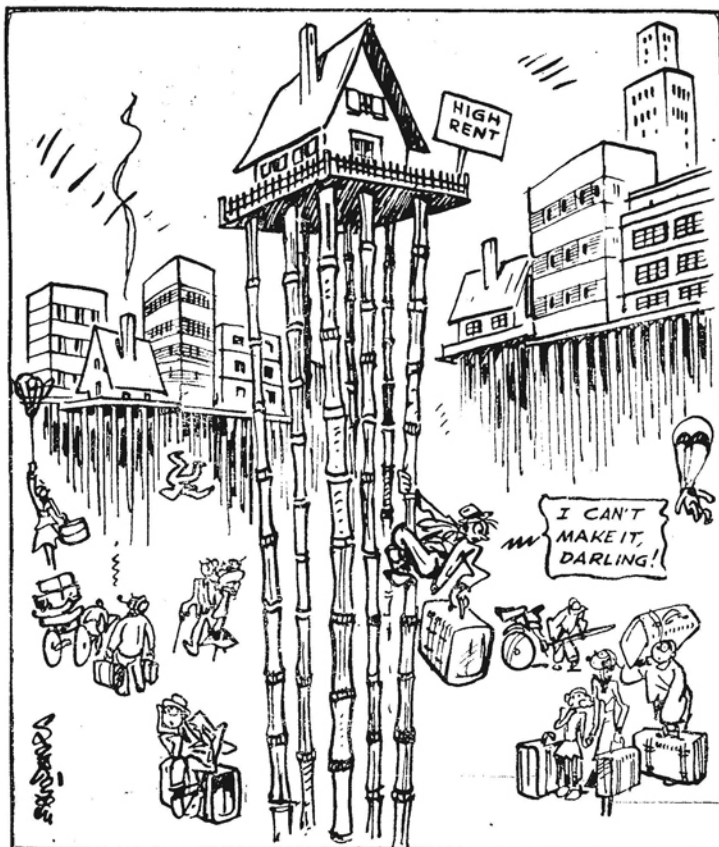
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SHANGHAI STYLE

By SAPAJOU

SILVER JUBILEE FUND

The British Women's Association which has been in charge of the fund for associating the British community in China with the Joint Empire Societies' Silver Jubilee gift to His Majesty, is, according to present arrangements, remitting the total collected on Saturday. The intervening period is being occupied in receiving donations which have come to hand from the outposts and in Shanghai since the fund closed. The revised figure will be duly announced when the remittance has actually been made. Altogether, considering the modesty of the appeal and the circumstances in which it has been made, the British Women's Association can congratulate itself on the results achieved. Incidentally, a correspondent in England has declared that the only community overseas whose programme of Jubilee celebrations had received notice in the London press at the time that the note was the British community of Shanghai. The decision to arrange a children's fête and illuminate the premises of British Shanghaianders was specially noted. Meanwhile in England—as indeed all over the Empire—plans are proceeding apace. The return of the King from his month's rest at Eastbourne has quickened attention to the arduous programme which he faces in May. Everything points to a wonderful celebration in the heart of the Empire. The British Women's Association has now received from the "Central China Morning Post", the sum of \$319 being Hankow's contribution to the Silver Jubilee Fund donation which the Association is remitting to the Joint Empire Societies as the gift of British residents in Shanghai and China to the personal presentation to His Majesty. This excellent effort by Hankow is expected to bring the total collected by the Association up to the figure of \$5,000—a most satisfactory achievement on which the organizers are to be warmly congratulated. The final figure will be probably announced to-morrow. As an indication of the comprehensiveness of the appeal it might be mentioned that a donation came from the British pupils of St. Francis Xavier's College. These young men are not overflowing with spare cash and the remittance represented a very real expression of

loyalty and affection which deserves special tribute.

MR. N. S. BROWN

A pillar of Shanghai society and a leading member of the British commercial community, becomes an Old China Hand from to-day onwards. For, Mr. N. S. Brown leaves England after 32 years' service in China. Mr. Brown, besides developing a notable career with Messrs. Butterfield and Swire, has found time to enter into the general preoccupations of his community and, in particular, has actively stimulated Sino-Foreign understanding. Associated with an enterprise which is concerned with the general progress of China as a whole, he has necessarily been forced to cast his net wide and it was appropriate that he should have found a place on the Boxer Indemnity Trustees' Board on which his experience has been of manifest advantage. Mr. Brown has taken an interest in Chinese political developments so far as that interest is consistent with the obligations of a foreigner resident in China and, no doubt, on his promotion to the dignity of an Old China Hand in his native land, he will be a friendly champion of his old acquaintances here. He certainly carries with him their abiding gratitude and good wishes for many happy years of well-earned leisure.

CHAPOO HILLS

It is stated, with every appearance of accuracy, that the military defence works, on account of which the Chapoo Hills were closed to the public, have now been completed. Although, for the convenience of those wishing to visit the temples for special ceremonies, the Hills were recently opened, the facility was only temporary. The Chekiang Provincial authorities, in their own interests, should surely issue some statement to explain the present position for since the defence works have been finished there seems no valid reason why the promise to make the Hills available in the Spring to those who have invested money in developing Chapoo as a health resort should not be fulfilled. It would be unfortunate if the inconvenience and material loss entailed by the closure of the Hills were prolonged beyond the

needs of the public interest to which the authorities ascribed their original action.

QUICK WORK

Considering the magnitude of the task the Science Publication Committee of the Ninth Congress of the Far Eastern Association of Tropical Medicine, deserve to be warmly congratulated on issuing within five months the two volumes the Transactions of that important gathering of scientists at Nanking. The first volume was noticed here some time ago. Now the second volume of nearly 1,000 pages has arrived. It is a most valuable compendium for the medical man who is interested in public health. It includes the scientific papers read at the Congress on malaria, medicine, ophthalmology, parasitology, pathology, pharmacology, physiology, plague, public health, quarantine, radiology and surgery. To the layman that sounds a fairly comprehensive list and when he glances at the admirably printed pages with their diagrams, charts and graphs, he is further impressed by the industry and ability of the editors, Dr. Wu Lien-teh and Dr. C. Y. Wu. This second volume contains the index to itself and to volume I. Altogether the two volumes form a worthy memorial of a congress which marked a definite stage in China's co-operation in the international work of preventing and fighting against disease. For this result the editors pay tribute to many able coadjutors, notably Dr. J. Heng Liu the Director of the National Health Administration and to Dr. P. Z. King the Vice-Director of the Central Field Health Station.

SHARE GAMBLING

It is not the first time that endeavours have been made, as is the case with the Hongkong Stock Exchange just now, to put an end to gambling on forward transactions in shares by requiring that the scrip numbers should appear on the necessary documents. The Committee of the Hongkong Stock Exchange seem to have acted somewhat hastily in endeavouring to correct abuses by a resolution of the Committee itself, whereas in fact an extraordinary general meeting of the whole exchange would seem to be necessary. But

whether they have been correct or not in what they have done, it is quite probable that their decision may be reinforced by governmental action in the matter. While a large number of brokers might desire that facilities for gambling, such as has done Hongkong much damage in the past, should be continued, the opinion of the more conservative element, as evidenced in the resolution under notice, might very well strengthen the hands of the Government who should find no particular difficulty in ridding the necessary Ordinance through the Legislative Council. The Government could do this quite consistently for it has recently been paying attention to other facilities for speculation which have recently appeared in Hongkong. There have been very bad smashes in the Colony in years past and the time has certainly come when something should be done to prevent the recurrence of such tragedies. If the Government does act, it matters nothing whether the Committee did something improper or not. They may have exceeded their powers, but, if the Government takes the resolution as an expression of opinion justifying legislative action, the small delay in taking it is not likely to matter one way or the other.

THE AIRMAN'S VISION

In paying a soldier's tribute to a sister service Brigadier Thackeray at the R.A.F. Association dinner, on Saturday, happily emphasized the important contribution which air travel can make to the development of international understanding and the international spirit. Thus, paradoxically enough, at a time when the dangers of death and destruction from the air are being cited to exalt the potentialities of the aeroplane in the war of the future, the vision of the air-pilot and the comradeship of airmen are regarded soberly as the instruments of peace construction. Nor is this view too fantastic. The gathering on Saturday provided of its own accord a remarkable proof of the ability of aerial combatants to forget strife in the common interest of their profession and, moreover, to see the point of view of "the other man" exactly as Brigadier Thackeray propounded. The development of civil aviation has already produced strong evidence of the power of the air route to unite nations in a common bond and to abolish national boundaries. This effect of air-mindedness is a welcome corrective to the extreme asperities of nationalism which is now all too apparent in the world to-day. Generous emulation in adventure and equally generous recognition of achievement, regardless of race and country, are the present marks of the truly air-minded world. May their influence persist and, even better, be extended to all international endeavour, for the eventual solution of the bitter feuds now obsessing a distraught world!

A JARGON WORD

In and out of China the term "sinologue" has been constantly used to denote some special eminence in knowledge of "things Chinese". It must be confessed that journalism has found the term convenient but whether on journalism the blame must rest for having popularized it is open to doubt. This is said in no spirit of irreverent depreciation of the "sinologue". On the contrary it is suggested that the high qualities of scholarship and erudition required to make the sinologist are cheapened by the label. Support for this view comes from the Inaugural Lecture delivered by the Rev. E. R. Hughes in the Examination Schools at Oxford, as the first Reader in Chinese Religion and Philosophy in that University. Mr. Hughes bluntly asserted, in his opening remarks, that the term "sinologue" had no basis in fact:

As well expect to find a being who could be called a "Europologue", one qualified by the scope of his learning to speak on all European religion, philosophy, politics, art, economics from the beginning of our civilization to the present day.

Mr. Hughes pleaded for the discard of the term

on the ground that for many people it has an incurably antiquarian flavour: if the student in this field was digging up old bones rather than concerning himself with the living culture of a living people.

Perhaps it is possible to relegate "sinologue" to the limbo of what S. Arthur Quiller-Couch aptly described as "jargon" and thus clear the way for a more intelligent approach to the study of Chinese affairs.

CHINESE POLITICS

REORGANIZATION OF THE BANK OF CHINA

Government Control Follows Increase of Capital:

Mr. T. V. Soong Accepts Post of Chairman

SPECIAL TO THE "N.-C. HERALD"

GOVERNMENT control of the Bank of China becomes a factor to-day following the election of four Government appointed directors to the Board's Standing Committee which consists of seven members (Managing Directors) and the acceptance by Mr. T. V. Soong, former Minister of Finance, of the post of Chairman of the Board.

The seven managing Directors are: Mr. T. V. Soong, Mr. Churtong Yin, Mr. Y. M. Chien, Mr. P. L. Wang, (Government appointees), Mr. K. P. Chen, Mr. Sung Han-chang and Mr. Feng Keng-kuang. Mr. Sung Han-chang has also accepted the post of general manager vacated by Mr. Chang Kia-ngau, who has been appointed Deputy Governor of the Central Bank under the proposed banking re-organization.

The election took place on Monday afternoon at the first meeting of the new, enlarged Board of Directors in the office of the Bank in Hankow Road. The approval by Dr. H. H. Kung, Finance Minister, of the resolution passed by the Bank's shareholders' meeting last Saturday afternoon to the effect that the capital of the institution be \$400,000,000 to be borne equally by the Government and shareholders was officially announced at this meeting.

The Enlarged Board

The directorate of the bank has been increased from 15 to 21 members of whom nine are Government appointees. The Government directors are Mr. T. V. Soong, Mr. Churtong Yin, Mr. Hsi Teh-mou, Mr. Y. M. Chien, Mr. Hu Pi-kiang, Mr. T. L. Soong, Mr. Tu Yueh-sung, Mr. Woo Ta-chuan, and Mr. P. L. Wang, while the fifteen directors elected by the shareholders are: Mr. Li Ming, Mr. Chang Kia-ngau, Mr. Feng Keng-kuang, Mr. Sung Han-chang, Mr. K. P. Chen, Dr. H. H. Kung, (who has private shares in the bank), Mr. Z. S. Lien, Mr. C. M. Shu, Mr. Yung Tseng-king, Mr. Chow Tso-min, Mr. Tsuyee Pei, and Mr. Chow Liang.

Government's Influence

Although the official nominees on the Board of Directors are in the minority and the capital of the bank is to be borne equally between the Government and the shareholders, the Government position in the bank was definitely consolidated in the first meeting of the board.

Dr. H. H. Kung, who attended the meeting as a director, was in the chair. With the exception of Mr. Chang Kia-ngau, Mr. Feng Keng-kuang, Mr. Yung Tseng-king and Mr. Chow Tso-min, all the directors attended the meeting.

Following the election of the Standing Committee of the Board consisting of seven members (Managing Directors) Mr. T. V. Soong was appointed by Dr. Kung in the position as the Finance Minister to the post of chairman of the board, which was accepted. Mr. Soong then presided over the meeting of the newly elected Managing Directors in a separate room.

Shareholder's Decision

That the Bank of China will be a joint Government and commercial institution with a capital of \$400,000,000 to be borne equally by the Government and shareholders, was decided at the shareholders meeting held at the Bankers Club, 4 Hongkong Road, on Saturday afternoon. It is understood that Dr. H. H. Kung, Minister of Finance, has approved the resolution, following negotiations with Mr. Li Ming, chairman of the board of directors of the bank. This meeting was presided over by Mr. Li Ming, who was supported by 504 shareholders representing 114,605 shares. After the usual Kuomintang ceremonies, the chairman gave a report on the business of the Bank during the past year. The net profit amounted to \$1,933,317.01.

Supervisors Re-Elected

Following the report, the Government decision to increase the capital of the bank by \$25,000,000 in bonds was brought up for discussion. It was pointed out that the capital of the bank was \$25,000,000, of which \$5,000,000 had been put up by the Government. After a discussion, it was resolved that the capital of the bank should be increased to \$40,000,000, to be borne equally by the Government and shareholders.

The tenure of office of the supervisors elected by the shareholders three years ago having ended, an election took place. The following four original supervisors were re-elected: Mr. Lu Hsueh-pu, Mr. Chang Wen-huen, Mr. Koo Ting-chin and Mr. Shih Ming-ho.

Extracts from the annual report of the Bank of China reviewing the economic conditions of the past year and tendencies indicated in the country, appears on page 29.

EXPLANATION OF THE BANKING CHANGES

Dr. H. H. Kung and Mr. T. V. Soong Interviewed

Interviewed by press representatives, upon his return from Nanking on Thursday morning, Dr. Kung stated that, since 65 per cent. of the new \$100,000,000 currency bonds is to increase the capital of the Central Bank, the Bank of China, and the Bank of Communications, these bonds may not be floated in the market at the present moment. He added that it has long been the policy of the Government further to strengthen these banks. Dr. Kung remarked that in view of the general depression existing in late years, and the further aggravation of the situation as a result of the recent American silver policy, it is desirable the three banks should co-operate with one another to the fullest extent, in order to assist the money market in Shanghai. No significant changes are contemplated in respect of the Bank of Communications, except additional Government representation on the Board of Directors.

These changes were made, however, for the purpose of securing the fullest co-operation between the three banks, and to provide a solid foundation for the Chinese banking system. Dr. Kung made it clear that the close co-operation of the three leading Chinese banks has no connection whatever with the Government's policy in respect of the monetary situation and that these banks will retain their individual entities. He also emphasized that, by working together, the three banks will be most helpful to the Government in its desire to assist the money market here, which lately has shown a more healthy condition, and that he is looking forward to further improvements in the financial structure of China.

Mr. T. V. Soong's View

Mr. T. V. Soong, when interviewed by the Kuo Min News Agency, stated that he has been appointed a director of the Bank of China, but pointed out that the Managing Directors, from whom the Government designates the Chairman, are elected by the Board of Directors amongst themselves.

He also stated that the action of the Government, which is calculated to strengthen the three banks and ensure a common policy, has been the declared aim of the National Government for many years. It is, by means of these three banks working in the closest harmony that the money market here effectively can be assisted and the present difficulties alleviated.

Mr. Soong also pointed out that, with the exception of the strengthening in capital brought about by increased Government participation, the activities and entity of the Bank of China remain as heretofore. He believes the action of the Government is a logical step in the direction of building a more solid foundation for the Chinese banking system.

JAPANESE PROTESTS TO NANKING

Higher Import Tariff and Foreign Pilotege Ban

Nanking, Mar. 28.

Japanese objections to two projected actions of the Nanking Government were made by Mr. Akira Ariyoshi, Japanese Minister to China, to Mr. Wang Ching-wei, President of the Executive Yuan and concurrently Foreign Minister, in an interview this morning. The steps contemplated by the Nanking authorities are a general raising of the import tariff to compensate for the loss in national revenue attendant upon the abolition of the export and interport duties, which is designed to promote domestic industries, and the application of new pilotege regulations, whereby only Chinese citizens will be allowed to engage in that profession.

Mr. Ariyoshi told Japanese reporters after his interview:—

"Regarding the plan to raise the Chinese import tariffs, the primary object of the Nanking Government seems, as it has been announced in the statement issued by the Finance Ministry, to secure funds to offset the deficit of the national treasury, but it is doubtful whether that objective could be achieved by that method and I asked Mr. Wang to reconsider the plan to raise tariff rates, explaining fully Japan's attitude in this respect. The revision of these rates appears to be still under consideration by the Tariff Committee and has not yet been decided upon."

"The date for the enforcement of the pilotege regulations has been postponed," Mr. Ariyoshi concluded.—Rengo.

Mr. Ma Chao-chun, a member of the Central Executive Committee and of the State Council, has been appointed Mayor of Nanking in succession to Mr. Shen Ying, retired.

SETTLEMENT OF MONGOLIAN PROBLEM

Opium Taxation and Danger of War: Steady Advance on Pailingmiao

FROM OUR OWN CORRESPONDENT

Peiping, Mar. 26.

The immediate problems of Sino-Japanese relations have for the moment been relegated to the background by the Inner Mongolian question which has assumed a very threatening aspect in recent weeks. All this week there have been continual meetings between Mongol delegates and General Ho Ying-chin who is busy trying to find one of those miraculous formulas to meet the wishes of all parties. It is difficult to see, how such a solution can be found, seeing that the views of the disputants are in direct opposition. Unless, however, some such eleventh hour solution can be found, or unless the Central Government can bring the Shansi generals to heel, an outbreak of hostilities seems inevitable within the next few days.

A strange and ominous feature of the present Sino-Mongolian dispute is that, it is not a quarrel between the Mongols and the government of China at all. The former, for their part, are not anxious to break away completely and would have preferred the loose and nominal control under China to the much stricter regime of the Japanese or Manchoukuo connection; while the latter was apparently prepared to grant almost complete local autonomy to Inner Mongolia, provided the suzerainty of China was accepted.

Opium in Transit

Fu Tso-yl has started the trouble, and behind him is Yen Hsi-shan of Shansi. At first sight this may seem strange, because the latter is known to be in very close touch with the Japanese these days, and it would appear unlikely that they would approve of an attack on the Mongols which would scarcely seem to be in accord with their policy in these parts. Certain circles, however, actually suggest that the Japanese are allowing Marshal Yen to take up this intransigent attitude towards the Mongols, in the hope that the latter will drive them into the arms of Manchoukuo. In view of the dominating position of Japan in North China this would appear an unnecessarily round about method. The explanation is really much simpler: the sudden increased bitterness of the dispute is due, not to political causes, but to economic ones. The granting of Mongol autonomy is hitting Marshal Yen not in his political ideals, but in a much more vital spot, his pocket. In a previous article I explained that the dispute over the tax-stations had really become acute on account of the large caravans of opium from Kansu that pass through Inner Mongolia on their way to Shansi. To keep these untaxed Fu Tso-yl is now preparing to fight, and his troops have been steadily advancing on Pailingmiao.

Serious Consequences Likely

The Mongols might have had some difficulty in raising national enthusiasm over the tax-stations alone, but the Pailingmiao Council has been provided with a piece of useful racial propaganda by the kidnapping and murder of a well-known Mongol official, Han Feng-lin, in Peiping last autumn. This was carried out by the special police who are under the direct orders of Nanking, so that the Central Government would seem to have added considerably to its own troubles.

The reactions of an outbreak of hostilities in Mongolia will, needless to say, be fraught with serious consequences for China; indeed the only certain result will be the proverbial "joyful third party." The Shansi troops would, of course, have to conduct this fresh little war all by themselves, for under the political conditions reigning in North China, the Central Government would not be allowed to send any forces north, even assuming that, it desired to do so. Even if Fu Tso-yl succeeded in driving back the Mongols and taking Pailingmiao, that would only make matters worse, for the Mongols make no secret of the fact that, if it did come to open hostilities, they will be forced to turn elsewhere for assistance. In any case, it is very doubtful whether the Chinese troops would be successful. If they were not, and if the Mongols drove them back, they are not likely to stop until they have taken the whole of Suiyuan province, including the western portion of the Peiping-Suiyuan Railway. Little imagination is required to envisage the kind of complications that would then ensue. While, in either case, any severe fighting is bound to spread to the neighbouring province of Chahar, which would undoubtedly bring about Japanese intervention.

To those who have been watching the gradual development of the Sino-Mongolian dispute during recent months it almost looks as if the Chinese had specially gone out of

their way to lose Mongolia. The feeling among the general public is one of complete indifference. Such is the popular dissatisfaction and depression up here that nobody is in the least surprised at any happenings any more. Nor is the loss of one piece of territory more or less regarded as of any importance, seeing that the general expectation is that the whole of North China will go the same way before long.

HOPES OF A MONGOL SETTLEMENT

Measure of Understanding Reached at Conference

Peiping, Mar. 30.

A measure of understanding between Prince Sonomuwupatan of the Siling League and General Yen Hsi-shan, and a promise on the part of General Sung Cheh-tuan, Chairman of the Chahar Provincial Government, to attempt mediation, have combined to give fresh hopes that the present taxation and autonomy difficulties in Inner Mongolia may be settled peacefully.

Prince Sonomuwupatan, who spent some weeks at the important Lamaist monastery at Wutai Shan in Shansi, proceeded to Hopeihsun to confer

Dispute Settled

Peiping, Apr. 1.

Reliable Chinese sources state that the dispute arising out of the establishment of tax stations in Mongolian territory by the Suiyuan provincial government has been amicably settled, but the terms are being kept secret.—Reuter.

with General Yen concerning the present dispute between the Suiyuan Provincial Government and the Inner Mongolian Political Council.

The close economic and military connection between the Shansi and Suiyuan authorities makes General Yen's attitude toward the problem one of major importance, it is pointed out by observers here.

Agreement Reached

According to reports reaching Peiping, the Mongol Prince and General Yen have at last arrived at an agreement, details of which have not yet been revealed, but which Prince Sonomuwupatan has telegraphed to Prince Teh at Pailingmiao. It is stated that as a result of the conference in Hopeihsun the two leaders agreed that the Mongols and the Chinese in Inner Mongolia must unite and work together, in view of the importance of the border provinces in the scheme of national defence.

General Sung Cheh-yuan's consent to mediate in the present dispute came as a result of a call paid on him by Mr. Li Chih-cheng, vice-director of the Suiyuan Special Tax Bureau, and Mr. Shih Hsueh-yuan, official representative of the Suiyuan Government. A personal letter from General Fu Tso-yl, Chairman of Suiyuan, to General Sung was presented to him by these two delegates. The letter urged General Sung to try to mediate in the dispute. General Sung promised the Suiyuan delegation to exert every effort within his power to do as General Fu requested.

The two Suiyuan delegates also called on General Ho Ying-chin and were closeted with him for more than an hour. General Ho repeated his urgent request that the matter be settled without recourse to arms.

A telegram from Kuenhua, the Suiyuan capital, reports that the Suiyuan Chamber of Commerce have petitioned the Suiyuan Government to settle the issue quietly. Otherwise, the chamber's petition states, the losses suffered by Suiyuan merchants and Mongols, alike, will be great.—United Press.

BRITISH INVASION CANARD REFUTED

Nanking, Mar. 26.

With reference to current reports that British troops have invaded Mengchiao and Mengtung, on the Yunnan border, it is learned from the Nanking office of the Yunnan Provincial Government that Gen. Lung Yun, Chairman of Yunnan, has received no information to that effect. Gen. Lung has sent messages to the border towns, inquiring into the actual conditions there, and also demanding to know the source from which the reports originated.—Central News.

The Chiang Kai-sheks' Yangtzekiang Journey from Hankow to West China



A street in Chungking during the closing of the opium dens



General and Madame Chiang on the river near Chungking.



Madame Chiang Kai-shek ascending the Wansien steps.



Madame Chiang was a busy photographer during her journey up the Yangtze.



Left to right) Marshall Chang Hsueh-liang, Generalissimo Chiang Kai-shek and General Chang Chun, Chairman of the Hupeh Provincial Government.



Madame Chiang is an enthusiastic mountaineer and tackled all sorts of precipitous climbs during their journey.

Annual Camp of American Troop, S.V.C., held at Shanghai on March 23.



Official guests, officers and members of American Troop at Rifle Range. Starting fourth from the left in the front row, the group includes (left to right) Lieut. L. K. Taylor, Lieut. N. F. Allman, Major G. F. Stokes, Major G. M. Heal, Lieut. C. S. Franklin, Judge Milton J. Helmick, Captain H. D. Rodger, (O. C. American Troop), Colonel J. C. Beaumont, Major H. Ainger, Major W. R. Johnson and Captain P. Catt.



Standing easy. Overalled troops pause on the way from one range to another.



O.R.Q.M.S. C. W. Cunningham of Headquarters, works on the score register.



After the shooting is over, boiling water cleans out the rifle barrels.

The World in Pictures



"GOOD-BYE SWEETHEARTS"
Italian troops departing for Abyssinia on the Vulcania.



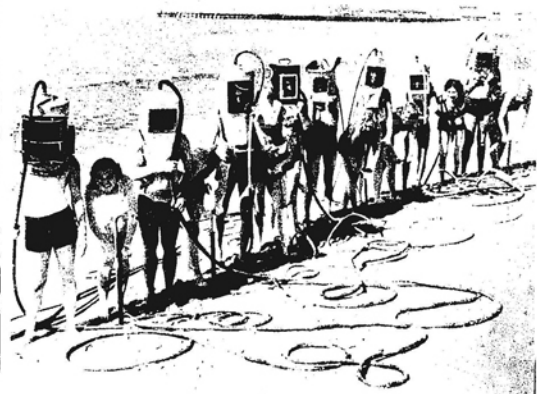
HITLER'S SURPRISE VISIT
Hitler poses in front of the town hall of Saarbrücken. He paid an unexpected visit to the Saar after its official return to Germany.



"ON TOP OF THE WORLD"
An unusual picture of a fireman being elevated automatically to the top of a building, taken in Exeter, England.



IF WAR COMES—
by aircraft gun, being pulled through the air on Catalina Island, contrasts strangely with the peaceful countryside. Iris Adrian, the screen star, is perched on the tyre.



SAN PEDRO'S "SUICIDE CLUB"
These Californian schoolboys, equipped with home-made diving outfits, cater to the local marine trade, salvaging sunken craft, retrieving lost anchors and freeing lines fouled on propellers.



AN ACTOR'S HOLIDAY
Mr. Ralph Lynn, the famous comedian, enjoys the sunshine at Monte Carlo with his wife as his only companion.



MISSING AVIATRIX FOUND
Lady Margaret Young, wife of the Governor of Northern Rhodesia, whose plane was missing for several days last month. Her husband organized a search party and she eventually turned up safely.



FOUR GENERATIONS
The venerable King Gustav of Sweden nurses his latest great-granddaughter, Princess Margareta. With them are the baby's grandfather, the Crown Prince Gustav Adolf and, (standing) her father, Prince Gustav Adolf.



A GOOD DAY'S CATCH
This picture was taken during the mackerel, herring and lobster fishing season off the coast of New England.



ALUMINIUM JEWELLERY
This young Masai girl, a native of Tanganyika, wears little clothing beyond her wire and bead decorations. Her only garment, a yard and a half of Japanese calico, cost one shilling.



INVENTOR OF MOVIES "EN RELIEF"
Louis Lumiere, the French savant who invented the movie camera in 1885, has contributed another sensational development to the screen—a three dimensional film.

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BANKING CONTROL

April 2.

The proposals for the closer co-ordination of Chinese banking policy by the association of three leading Chinese banks in a scheme of government control have now reached a definite stage. Mr. T. V. Soong, emerging as Chairman of the Bank of China, becomes the pivotal director of the new policy. The Bank of China is the oldest of the three institutions. The successor to the Ta Ching Bank of the Manchukuo dynasty, it assumed the name of the Bank of China in the Revolution of 1911. Its position as a state bank was fundamentally altered in 1916 when the Shanghai Branch, under the management of Mr. Sung Han-chang, disregarded Peking's declaration of a moratorium, organized a shareholders' association and in co-operation with the commercial community of Shanghai, continued to redeem its notes. This led to a revision of the Bank's constitution, after the Yuan Shih-kai regime fell, and its attention was more closely directed towards commercial rather than governmental banking. In 1928 the head office of the Bank was removed to Shanghai. Its capital was increased to \$25,000,000, of which \$5,000,000 were public shares. The Bank of Communications was established in 1908 and in 1914 received a charter by Presidential Mandate. In 1928 a new charter was granted by the National Government. The Bank's capital was fixed at \$10,000,000, of which \$2,000,000 was contributed by the Government. The Central Bank of China was founded in 1928 as a state institution under Government control, with a capital of \$20,000,000 fully-paid up by the National Government. It undertakes Government business, such as the floating of domestic and foreign loans. Thus, taking the total capital of the three Banks as \$55,000,000, the Government has hitherto controlled \$27,000,000. By the new scheme which allocates \$15,000,000 to the Bank of China, \$10,000,000 to the Bank of Communications and \$30,000,000 to the Central Bank of China, the total capital is increased to \$110,000,000 of which \$82,000,000 is in Government hands. In other words Government control has increased from about 49.1 per cent. to 74.5 per cent. on a share basis. The new scheme derives from the decision of the Central Political Council, on March 20, to approve the issue of \$100,000,000 worth of bonds for the purpose of increasing the capital of Government banks, the bonds to be secured as from April 1, on the Customs surplus, a portion of which was to be earmarked for interest and amortization.

This change in the capital of the Banks is carrying with it various changes in personnel, in order to reinforce the Government's control, as connoted in the addition of Government support to the institutions concerned. The chief of these changes is, of course, the assumption of the Chairmanship of the Bank of China by Mr. T. V. Soong and the relinquishment of that Bank by Mr. Chang Kia-ngau who now becomes Deputy Governor of the Central Bank, his place in the Bank of China being taken by Mr. Sung Han-chang. Mr. Chang has played such a prominent part in developing banking support of China's industries that the severance of his direct association with that valuable form of economic reconstruction is to be regretted. It may be assumed, however, that Mr. T. V. Soong's own solicitude for China's industries will ensure the maintenance of the traditions so ably fostered by Mr. Chang. Indeed the selection of Mr. Sung Han-chang as General Manager gives a definite assurance on that point, seeing that Mr. Sung Han-chang has long been a colleague of Mr. Chang and is himself a doughty champion of the

Bank of China's interests. Moreover it can be surmised that, just as Mr. T. V. Soong, who is the virtual founder of the Central Bank of China, will be able effectively to guide the policy of the Bank of China with due regard to his other Bank's requirements, so Mr. Chang in the Central Bank should be able to ensure proper perception of the Bank of China's functions. For, in order better to cope with the present stagnation, it has been felt that some kind of common control of Chinese banking policy is essential. During the last year the strain of the currency crisis has revealed the need for co-ordinated action to deal with conditions of exceptional difficulty. The Government showed its sense of this feeling by appointing a Monetary Advisory Committee which went a good way in stabilizing opinions if it could not achieve much in the direction of freeing the markets from the prevailing stagnation. This is said in no criticism of the Banks concerned. They have been in an anomalous position. Ostensibly free agents, they have been unable to act in entire independence of Government policy. And the Government's own actions—such as the imposition of the export duty on silver—proved a definite handicap to the proper assertion of banking influence in meeting the depression.

So, inasmuch as this creation of real Government control should put an end to divided counsels, it must be favourably regarded. It also pools resources with the object of strengthening the financial ability of the country to deal with the problems of reconstruction. Official announcements have laid stress on the assistance which it is hoped to give to China's industries and to the export of China's produce. Elsewhere such a combination has been found to be of great benefit to trade and, given appropriate attention to the principles of sound banking, there is no reason why similar advantages should not be secured by China. Looking back over the events of the year it is evident that the greater part of the financial difficulties which now loom so large on the economic horizon, has been due to a want of general confidence. The Banks have been uncertain of the Government's policy and uncertain of each other's intentions. In his speech last Saturday Mr. Chang Kia-ngau expressed the view that the Government's clear repudiation—through pronouncements in December last by General Chiang Kai-shek and Mr. Wang Ching-wei—of plans for devaluing the currency, nationalizing silver, or issuing inconvertible notes, restored confidence and checked the flight of capital. That indicated a sense of the importance attached to definite statements of Government policy. When the Government, by reason of its more effective control of the country's banking institutions, can make such statements with even more authoritative significance, it should be able to command a proportionate access of confidence. In the event, Mr. T. V. Soong's reputation as a financier should give further point to this view. In a way, Mr. Soong's acceptance of the chief responsibility for China's banking policy is comparable with Mr. Reginald McKenna's relinquishment of political ambitions for the Chairmanship of the Midland Bank. Yet there is an important difference. Here Mr. Soong's Banks are preponderantly governmental institutions under the new scheme. While the advantages of Government control in the special circumstances of China's economic and political condition, are fully recognized and have been already outlined, there are unmistakable dangers in lightly accepting political assistance in handling banking business. Mr. Soong has, probably, too high a regard for China's welfare, to say nothing of his own personal reputation, to ignore the implications of that reservation. There is every reason to believe that he appreciates the force of the argument that if politics interfere with business, it is not business which should go by the board. To the new system of controlled banking, he brings prestige, a record of achievement and a known courage in championing sound finance. It may be fairly said that his name carries considerable weight both in China and abroad. Therefore it is with every hope

for the successful avoidance of pitfalls and for the satisfactory restoration of the free flow of credit, through the return of confidence and the establishment of real team-work between the three Banks, that this new and important Government enterprise is saluted.

A SANE OUTLOOK

April 1.

Clear sanity, constructive thought, frank recognition of difficulties, and balanced judgment marked the speech of Mr. Chang Kia-ngau to the shareholders of the Bank of China at the annual general meeting on Saturday. Mr. Chang Kia-ngau's yearly accounts of the stewardship of the Bank which has owed much to his skillful guidance and assiduous sense of public duty, are now regarded as important pronouncements on China's economic and financial welfare. This year he has faced an exceptionally delicate and difficult task with a courage which knows how to blend restraint with effective plain-speaking. Whatever changes are impending through the proposed reorganization of Chinese banking institutions here, it is satisfactory to know that his sage counsel and undoubted devotion to the best interests of the people of this country will still be at public disposal. Recognizing that China's lack of an advanced system of exchange and currency and the incompleteness of her economic and political organization, preclude the adoption of measures which have seemed right in the eyes of other Governments dealing with depression in their own countries, Mr. Chang is not inclined to despair. He advocates self-help and the united effort of Government and people to establish sounder economic foundations for the purpose of bringing China through the present crisis. This is no mere counsel of perfection for it is proffered with concrete constructive suggestions to which due attention should be given: unification of the currency, greater co-operation among financial institutions, co-ordination of trading and industrial units, increase in assistance to agricultural production, improved warehousing and distribution facilities, reduction of production costs and the development of marketing technique. Pointing to examples elsewhere, Mr. Chang argues that such changes can be brought about by the proper co-operation of the Government and the people. If China, he caustically observes, continues to be

content with a few slogans, not only will uncertainty continue, but economic and financial conditions will further deteriorate.

This firm presentation of the doctrine of self-help should stimulate even the most wayward nation to action. In discussing the financial crisis as it arose and developed last year Mr. Chang boldly invoked the commonsense of the American Government in describing the effects of Washington's silver-purchase policy on the situation here. Happily this comment comes at a time when it may be of special value, for the recent rebuffs sustained by the "Silver Senators" encourages belief that it may find in the United States more receptive minds than has hitherto been the fate of Chinese representations in that regard. Particularly is it desirable to emphasize Mr. Chang's arguments that

a rise in the prices of silver will be beneficial to China as a silver standard country only to the extent that commodity prices also rise,

that no stability in the price of silver can be possible without the co-operation of silver-using countries and that American trade in the Far East is far more likely to benefit

through the strengthening of financial conditions in this country, which has a population of over 400,000,000 than through the present silver-purchasing policy.

This dignified remonstrance strikes a note which is characteristic of the whole tone of the speech. Petulance and recrimination are avoided. This is specially to be appreciated in Mr. Chang's references to the possibility of raising a foreign loan on China's account. He fairly balances the interests and

needs of foreign banks here against the difficulties of the situation and the consequent obstacles to the inflow of foreign capital at this moment of crisis. This gives him his text for preaching the virtue of China's reliance on her own resources. He refrains equally from repining over the possible absence of outside help and—in spite of what might have been regarded as clear provocation—from attempting to rebut certain aspersions, cast from Hongkong lately in terms of lofty reproof, on Chinese bankers here.

A useful distinction is made by Mr. Chang Kia-ngau between the financial situation in China and the special economic crisis to which Shanghai, in the last year, has been exposed. Shanghai is not representative of China. The silver crisis affected Shanghai more seriously than any other city. While the organization of China as a whole is agricultural and in an early stage of economic development

Shanghai, because of its geographical situation and economic importance, possesses all the facilities of modern economic organization, so that in the event of a crisis Shanghai is naturally the first and worst to be affected.

So, while Shanghai has been acutely depressed and disturbed, the interior of China remained "quite unaffected." It is therefore interesting to examine some of Mr. Chang's findings on Shanghai's difficulties. The development of over-confidence and the expansion of credit toward the increase of real estate and bond transactions is explained on the ground that the

development of business undertakings requires technical staff and the earning of sufficient profits to justify larger loans, and is therefore less easy than the mere purchase of land or bonds.

The remedy for the situation created by the consequent correctives in the face of the silver crisis, is stated to be the establishment of

a sounder and more stable basis for the valuation of real estate, that is to say, the price of land should bear a more definite relation to yield which in turn should be in accordance with market interest rates.

Here light is thrown on the acute problem of rental charges and its effect in accentuating the present depression. The fixing of more reasonable rents, with more effective safeguards of estate owners' rights is commended for consideration. Careful scrutiny of construction programmes should be a complementary means of bringing the estate market down to normal. Those points ought to be borne in mind by the various interests concerned. In the meantime it is important to consider Mr. Chang's warning against linking China's silver problem "too closely" with the local financial situation. In other words Shanghai should put its house—and its housing policy—in order, so that it may derive full benefit from the gradual return to normal conditions in the interior—a consummation to be achieved by Chinese and foreign banking institutions in providing the necessary financial facilities throughout the country. That is a cautious but courageously cheerful summing up of the present situation. It gives confidence to inspire proper action on the lines of the admirable advice so modestly, yet authoritatively and lucidly, expounded.

TESTING PRINCIPLES

March 30.

Sir John Simon has combined frankness with discretion. He has said nothing to prejudice amicable extension of the conversations in Berlin. Yet, he has admitted that "considerable divergence of opinion" exists between the German and British Governments. And Reuter's diplomatic correspondent who on such matters, is an unimpeachable authority, adds the illuminating comment that this divergence is on fundamental principles. The fact that the Foreign Secretary thus makes no attempt to disguise the present impossibility of reconciling the two points of view is significant of the seriousness of the situation. But, at the same time, implies a conviction that it is not by any means out of hand. Herr Hitler's recent pronouncement on Germany's intentions to re-introduce

conscription and proceed to re-armament without waiting on her obligations under the Treaty of Versailles had been interpreted by some observers as merely the assertion of a position from which diplomatic bargaining could be favourably attempted. This theory seems to be untenable in the light of the Berlin conversations. Herr Hitler's Germany is determined, apparently, to exploit her weakness to the full. She is doing so with an alert eye on the manifest unreadiness of any Power to proceed to extreme measures. So, while she is stressing the might of armaments arrayed, as she alleges, against her, she is fully conscious of the internal economic malaise which, in a moment of crisis, might paralyze action in her restraint. Sir John Simon has met that unhappy perversion of the doctrine of realism by the calm declaration that British policy deals not in distinction between victors and vanquished. If Germany sincerely seeks the establishment of the doctrine of equality she can count on British sympathy and support. But it is essential that Herr Hitler should be able to show that the process of equalization is entirely divorced from any policy which could conceivably revive the old Adam of military domination to the peril of European peace. It is evident that Sir John has not yet been able to obtain from Berlin adequate assurances on that point.

It would be absurd to pretend that this immediately opened the door to those sinister influences which spell disaster for civilization. The existence of a disease does not necessarily imply certain death for the victim. There are doctors who can diagnose. There is medical skill which can cure. It now devolves on British, in association with other, diplomacy to devise means whereby Germany can be convinced of the unwisdom of the course she is threatening to pursue. It will not be sufficient to attempt this conviction by what might be regarded as a pure threat of force. However deplorable the German attitude may appear at this moment, it cannot be forgotten that the errors of the post-war years have not been entirely on her side. Possibly Herr Hitler would not be where he is to-day if British and French statesmen—to cite two of the chief protagonists—had been invariably perceptive of German grievances. While, therefore, it is imperative to show the firmest front in disapproval of Germany's present policy, the task of preserving Europe from another upheaval demands that every possible effort should be made to overcome German suspicion and win German confidence, so far as those qualities respectively reside and can be reborn in reasonable German minds. Whether it be appropriate to recall the symptoms which were so banefully neglected in 1914, must be left to statesmanship to decide. Germany, for her part, has to face the fact that the present mood of her rulers bears an unpleasant resemblance to the very mentality which brought the world to grief twenty years ago. It is not enough for Germany to take her stand on the admitted errors of the sister-nations. She need not necessarily dwell upon her own mistakes, although they are certainly germane to the issue. For her own hope of sanity she must, however, rid herself of the obsession which fails to take into account the earnest and consistent efforts made now over a long period of years to mitigate the asperities of the Peace Treaties and gradually to adjust the settlement of Europe to the realities of equal nationhood. If she persists in the constant exploitation of her grievances on the one hand and her physical weakness on the other to the exclusion of all recognition of generosity and forbearance, she runs the danger of exhausting the world's patience and of assigning herself to a perpetual isolation of inferiority.

Those are the plain facts of the situation, as they appear to emerge from the developments of this grave issue. At the moment there is no fear of a breakdown in the endeavour to guide Europe's footsteps to the path of peace. Herr Hitler and his advisers must realize, however, that neither in Great Britain nor in France is there a willingness to permit the years to pass with the shadow of another conflict growing larger and more menacing. Sad as

has been the failure to secure effective endorsement of the high ideals which animated the nations on their escape from the horrors of 1918, the observer cannot but be impressed by the widespread determination of the peoples of the world in pursuing the principles of collective peace-construction. This determination, despite the efforts of sage counsellors, has been vitiated too often by the accentuation of national antagonisms, born very largely of the desperate attempts to solve the difficulties of reconstruction. Nowhere has this defect been more evident than in Germany herself. Yet, whatever may be the significance of the spirit on which Herr Hitler bases his present obscurantism, it is believed that the German people in their best moments, are as anxious as their French or British neighbours to avert the ghastly consequences of armed conflict. On that belief hope rests for the ultimate success of Sir John Simon's further efforts "for reconciliation and equal friendship throughout the world." Reconciliation in circumstances such as now prevail, when there is a clear-cut difference regarding methods of peace-construction, must involve plain speaking and frank confession. Nor is it unreasonable to remind Herr Hitler that, in seeking to enforce what he holds to be Germany's just contentions by the brandishing of the mailed fist, he cannot complain if the same mode of argument be invoked in reply. That way lies annihilation for Germany, as for the rest of Europe. The outcome of the discussions at Berlin may be best described as providing a test of principles. And the peoples of Europe are still steadfast in their faith in the collective system and in their profound distrust of any return to the nightmare of armed alliances. To the exploration of the way of approach to that system British diplomacy is directing its energies, in the hope of including Germany with the rest of Europe in a truly effective stronghold of peace.

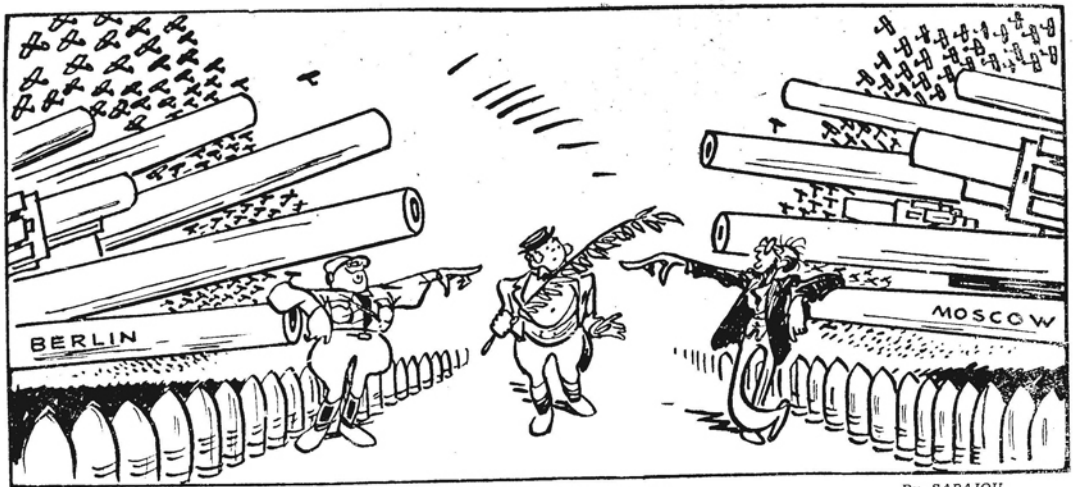
THE NEED OF YOUTH

March 29.

The Prince of Wales, assuming the traditional privilege of the heir to the throne when the opportunity occurs, has followed in his grandfather's footsteps and put himself at the head of the National Thankoffering movement for the commemoration of His Majesty's Silver Jubilee. The inauguration of the King George's Jubilee Trust took place at St. James's Palace on March 1, when His Royal Highness explained his plan for raising a permanent memorial in the shape of a fund to give national financial aid to existing voluntary organizations which now do such splendid work in tiding young men and young women over the difficult period of transition from adolescence to full maturity. The Prince's words have already been widely quoted:

There is no sadder sight in the world than aimless and dispirited youth; on the other hand, there is no more heartening sight than children who have been grouped together and helped by some voluntary juvenile organization which gives them amusement as well as physical and mental training...

The organizations to which special reference was made by the Prince were the Boy Scouts, the Girl Guides, the Boys Brigade and Clubs, the Young Men's Christian Association, but it was not pretended that the list was exhaustive. It gave sufficient light on the modern development of a sense of the community's responsibility for the welfare of youth as it emerges to state of manhood. The growth in England of an educational system progressively designed has tended to throw the amenities and opportunities available in the school years into vivid contrast with the limitations and hardships of the immediately succeeding period. On this problem founders of the organizations mentioned have attempted to concentrate. They have been hampered by the financial disabilities attaching to regions where their efforts were most urgently needed. To meet that difficulty the Prince's appeal has been designed. No doubt it will receive ready and effective support.



THE MOTE AND THE BEAM

By SAPAJOU

Here, in Shanghai, it might be profitable to consider whether some such movement could not be encouraged. This suggestion is not concerned with support of the Prince's enterprise. Nor does it necessarily imply a desire to see an equivalent organization started here. This is an international community and whatever corporate attention be given to the needs of young men and young women here must inevitably be framed on international lines in the broadest sense of the term. This, of course, throws on national organizations a special burden of responsibility. They, too, might review the situation in the light of modern tendencies and by means of their own domestic efforts, pave the way for a general bracing up of the young citizen of Shanghai to face more firmly the difficulties which are serious enough in most urban areas but are intensified here. Already magnificent work is being done—too often without intelligent recognition—by the schools and by such organizations as the Boy Scouts and the Girl Guides. And it is satisfactory to note that increasingly large number of men and women are giving those movements practical and personal assistance. The generosity of leaders of the community has greatly helped to keep some of these movements in active form, but it will be admitted that much more might be done if the conscience of the community as a whole were more firmly assaulted in this regard. There is no note of charity required. The provision of safeguards against the pitfalls of maturity here is, in effect, a practical measure of prudent civic precaution. It tends to strengthen the commercial efficiency of Shanghai and to protect the community against the evils of indolence and aimlessness.

This problem for the foreigner in particular has cogent inspiration here just now. Shanghai is, insensibly but surely, undergoing what might almost be termed catastrophic social and economic changes. The schools and colleges responsible for the education of the young foreign boy or girl, must be pondering gravely over the difficulties attendant on the task of securing for their charges a clear road to a successful career. The occupations which, in the past, have stood ready to hand are likely to diminish rapidly as the years pass. The comparatively easy standards of the former days have to be rejected. It is, therefore, all the more important to equip the young Shanghaiander for the more exacting tests to which he or she is likely to be subjected, when school days are over. Nothing can be more salutary or heartening than the vigorous comradeship of men and women who are willing to show how physical and mental fitness, cultivated in school, can be maintained and developed, with all the necessary powers of self-discipline, by the latest recruits to the army of wage-earners here. This does not relieve the educational authorities—municipal or private—of their responsibility for adapting curricula to the changing needs of the time. It merely ensures the provision of proper amenities and opportunities for cultivating true qualities of

citizenship under conditions which are exceptionally severe and are likely to increase in severity by the natural process of this city's growth. There is little doubt that activities such as those of the Boy Scouts and Girl Guides require to be more seriously regarded by all classes of the foreign community. Here, unlike England, there may not be the necessity to stress the note of poverty. Many competent social observers are inclined to think that this "youth movement" might be more valuably directed to the assistance of young men and women for whom the real danger is a premature command of means which enables them unthinkingly to be swept off their feet into dangerous courses before they have had time or the opportunity to realize the emptiness—indeed the folly—of their ways. Their counterparts in England or Germany or America are usually saved from themselves by the normal operation of healthy conventions. Here such protection is thin if it exists at all. It is for the leaders of society to consider whether this problem cannot also find a place in the policy of welfare workers here. Shanghai cannot remain open to the reproach that the communities which have helped to lay the foundations of its greatness, have connived at the sacrifice of its youth on the altar of a heedless self-confidence.

SHANGHAI'S FUTURE

March 27.

Mr. N. L. Sparke took a courageous line of quiet optimism in addressing himself on Monday to the current economic situation in Shanghai. At this time, when conditions invite the feverish pessimism of men who are confronted with difficulties beyond their power of immediate solution or, perhaps, comprehension, it is satisfactory to come across a public pronouncement which preserves an even balance and, while obviously impressed by a sense of the critical nature of Shanghai's present malady, is not disposed to lose grip of essentials. The organization to which Mr. Sparke was speaking represents those to whom Shanghai's prosperity means everything. Whatever views may be held regarding the basis of that prosperity in the future, it is impossible to deny that in many respects Shanghai is on a "land" standard. The inflation of land values may have been a contributory cause to the acuteness of the troubles now besetting this city. It has also been a source of stimulation to those enterprises which have assisted to build up a by no means unworthy fabric of economic and commercial activity. Critics may concentrate the fire of academic wrath on certain aspects of the development of landed property and its association with the credit of Shanghai's business. Yet when all is said and done, the service which land values have rendered in creating a definite element of credit stability here must transcend the abuses inseparable from the normal fluctuations of commodity values anywhere. Moreover, at a time of crisis, the general welfare of the community is so intimately bound up with the particular interests of landowners that they are bound to

give active support to the assertion of a common resistance to the process of stagnation.

In times of prosperity there may be a tendency to differentiate sharply between the property-owner and the rest of the community. No doubt the differentiation is of comparatively little importance, for the simple reason that the community is not disposed to be so critical as when the pressure of economic stringency whets its sense of grievance. Yet, in adversity, the property owner, if only on the practical ground of self-preservation, is bound to be alert in attuning his policy to the community's predicament. This clearly emerges from the general tenor of Mr. Sparke's speech. Nor is it irrelevant to note that the organization which he represents is faced with more than economic problems in sharing responsibility for the progress of Shanghai. His restrained references to the discussions proceeding in regard to the question of taxation outside the limits of the Settlement plainly show that he and his colleagues are, in effect, engaged in the diplomatic preservation of the rights of the community as a whole. The amicable tone characterizing the discussions suggests that the parties concerned are both displaying a commendable readiness to keep their relations on the plane of reasoned and reasonable investigation. May that attitude continue to persist, for its influence in solving some of the peculiar problems especially obstructing Shanghai's development can hardly be overestimated. Its importance being so manifestly present to the mind of the property owners gives a potent guarantee of their good faith in tackling those other economic complexities so heavily oppressing the community at this moment. In particular the effect of the rental charges on the cost of living comes under review. And on that point Mr. Sparke's speech offers useful material for reflection. It certainly might be studied by those who do not always realise the exact relation of rent to the economic condition of the community generally.

Mr. Sparke pointedly agreed that Shanghai was overbuilt. Beyond that he did not develop a direct argument regarding the possible fall of rental charges. It is obvious, however, that the mere operation of the competitive factor should and, indeed, is already in train, to bring down rents. Just as the property owners repudiate any plan for assisting the raising of rents, so is it logical to deprecate support of organized efforts to make rents move in the other direction. In both cases, the matter is one which lies directly between the landlord and tenant. As Mr. Sparke hinted, the merits of each particular case should be the governing factor. This does not overlook the importance played by high rental charges in determining the cost of living here. And it is suspected that the overbuilt condition to which Mr. Sparke referred can really have only a limited influence in reducing those charges. In some respects, owing to the sudden access of new conditions—notably a rapid industrialization—Shanghai is in urgent need of housing accommodation of the cheaper kind and the absence

of facilities tends to place a premium on improvisation of which landlords are bound to take an advantage not always to the benefit of the community. Therefore, while this journal would counsel against any measures which were calculated to give an artificial impulse to rent reduction, it is inclined to wonder whether sufficient note has been made of the possibility of easing the rental position by definitely setting out to meet the new needs brought about by the rapid growth of this urban population. This problem requires to be handled with the utmost caution just now. Land values, on which so much depends, are falling. Any unconsidered movement which could exaggerate that tendency might get out of control and, in all too short a time, bring serious consequences to all. A gradual mitigation of the rental burden is far preferable to a sudden drop. So much is bound up here with the interests of property that, especially in these times, the community ought to proceed warily in canvassing expedients which, however, plausible in themselves, may accentuate rather than relieve the prevalent depression. For this reason it is far better to observe the general note of confidence in Shanghai's future, as adopted by Mr. Sparke and to rely on the natural operation of economic forces to adjust the acerbities of the situation. Indeed it may be regarded as axiomatic that the process of smoothing out the present difficulties will, in itself, supply the necessary correctives to many ills which essentially have their root in an over-developed robustness of commercial growth. Nevertheless it is necessary to warn the community against excessive complacency. Of Shanghai's ability to weather this storm and resume a natural progress to even greater prosperity than before there is no reason to be doubtful. The travail of extrication may be severe and will bring startling changes to pass. It will teach lessons which will have to be thoroughly learnt and digested if the next advance is to be guided with full regard to the real interests of the community. And that will imply a fearless assessment of the social and economic conditions under which Shanghai elects to present itself in renewed vigour.

SHANGHAI'S GUESTS

March 28.

Shanghai is inured to the thrill of receiving distinguished birds of passage. To-morrow the elegant Empress of Britain will once again anchor off Woosung for a short space of time while her happy care-free passengers brave the inclemency of the Whangpoo in this leonine mood of March to sample Shanghai's wares, see Shanghai's sights (if any) and, possibly, to check the accuracy of those writers who wax eloquent over Shanghai's wickedness by night. Meanwhile, on a more leisurely visit here, a welcome has been given to Dr. John Oliver Gorce, Professor Paul Pelliot and Mr. Gene Turney. Dr. Gorce, as the Editor of that most attractive magazine "National Geographic Magazine" has been commended in advance to all

who delight in the technical perfection of his publication and its comprehensive zeal in bringing the world's beauty to the fireside prisoner's eyes. Wherever the English language is spoken and read, the "National Geographic Magazine" represents perhaps the only real example of the publication which entertains and instructs at the same time. "Geography without tears"—might be its motto. Professor Paul Pelliot is a distinguished Sinologist with a great reputation. He joins Mr. George Eumorphopoulos, Mr. Oscar Raphael with Mr. R. L. Hobson and Sir Percival David in the delightful but difficult task of assisting in the selection of the Chinese art treasures for exhibition in London next November. This group of visitors must perhaps feel acutely the contrast between the delicate witchery of their quest and the grim concreteness of this their temporary abode. Mr. Hobson will find it difficult to reconcile the smug respectability of Bloomsbury with the graceless glamour of Shanghai. Sir Percival David will not be consoled by mention of Henli for his present inability to enjoy the wonders of Friar Park on the banks of the Thames. But, no doubt, they will all be so absorbed in the dynasties and scrolls that the asperities of this city will pass them by unheeded.

Then there is that other visitor—Mr. Gene Tunney. Perhaps Shanghai will be forgiven if it confesses to special pleasure at the thought that he is extending his already wide travel-knowledge to the banks of the Whangpoo. Mr. Tunney can rest assured that his homeric record receives respectful admiration from sportsmen here. They recognize in him an immortal of the great art, which requires qualities other than those which M. Pelliot and his colleagues have to appraise. Mr. Tunney no longer practices his art. It is one of its peculiarities that its devotees can enjoy only a short period of active pre-eminence, but, in a sense, that makes their achievements all the more estimable, especially if, like Gene Tunney, they can honourably retire when they have reached the pinnacle of fame. But even if they have to descend from the pedestal by reason of the compelling arguments of impatient successors, they can retain the memory of the glorious days when, by the help of a stern asceticism, the disciplined marshalling of sinew and muscle and the alert tutoring of the brain, they were champions fit to wear the belt of greatness. Mr. Tunney may remember what words Bernard Shaw put into the mouth of another exponent of the noble art in self-justification:

And did I choose
My quick divining eye, my lightning
hand,
My springing muscle and untiring
heart?
Did I implant the instinct in the race
That found a use for these, and said
to me,
Fight for us, and be fame and
fortune thine?

Mr. Tunney has found fame and fortune and no worthier recipient of those gifts ever stepped into the ring. Comparisons in his former profession are never satisfactory. Yet even those who are disposed to argue that other champions may have been better in footwork, or harder with their punches, will not deny that Gene Tunney, for all-round excellence and in the notable feat of making his gospel of fitness no mere training regulation, has earned a special niche for himself. He is the ideal athlete in the combination of brawn with the instinctive culture of physical perfection.

The tragedy of the profession—even in the days when it found place in the arena of the gladiatorial combats in Rome—has been its susceptibility to the evil influences of cupidity and indolence. The religion of the gladiators was, declared George Borrow, transferred to the bosoms of English pugilists. And the Corinthians knew how to appreciate the honest straightness of the best of the champions. Bruses, they were called in the old days and let Borrow speak:

There's Cribb the champion of
England, and perhaps the best man
in England; there he is, with his
huge massive figure and fact
wonderfully like that of a lion.
There is Belcher, the younger, nor,
the mighty one who has gone to
his place, but the Teucer Belcher,
the most scientific pugilist that ever

THE WAY OF THE WORLD

ROBEY AS FALSTAFF

A theatrical event this month in London has been the appearance of Mr. George Robey as Falstaff in the production of King Henry IV (Part One) at His Majesty's Theatre. It has often been said that the late Dan Leno longed to play Hamlet. Mr. Robey has a fine sense of classical tradition as his performance in "Helen" showed, to say nothing of his remarkable Sancho Panza in the film portrayal of Don Quixote. He fortunately has allowed his Shakespearean ambitions to develop strictly in line with the comic genius of which he supplies so robust and distinctive an example to the English stage. His Falstaff would naturally not appeal to all tastes. "The Times" it is possible to gather, is not altogether impressed and its critic stresses his discomfort during certain passages of Mr. Robey's performance although he grudgingly admits that Mr. Robey "uses a brilliant licence to which he personally is entitled." Other critics are far more enthusiastic. "Real Falstaffian gusto," a Falstaff of genius "the perfect Falstaff," "Merriest jest in London"—are a few of the tributes. Yet all this was achieved in spite of the fact that Mr. Robey had to keep the famous eyebrows "under control."

ITALY'S VOICE

Under the present regime in Italy public opinion is voiced in so emphatically a decisive note that it often is in danger of failing to make an impression of national solidarity, on the simple ground that it lacks the conviction which springs from the nice adjustment of different points of view. So when the Under-Secretary of State for War, General Balistocchi, permits himself to rattle the sabre with an intensity which, coming from another nation, might immediately set the wheels of war in motion, he seems to be indulging in the art of the illusionist who makes his audience wonder but fails altogether to make flesh creep. This technique is regrettable at a time when Europe's nerves are none too steady. Nor is it irrelevant to remind even more august Italian spokesmen that megaphone diplomacy has an unimpressive appeal when it is calmly examined by those who are not in the immediate mass-audience to which it deigns to thunder.

entered a rung, only wanting strength to be, I won't say what. He appears to walk before me now, as he did that evening, with his white hat, white greatcoat, thin genteel figure, springy step, and keen determined eye.

Mr. Tunney has adorned a generation in which the ancient pugilism has been elevated to a dizzy place in the entertainment of the world. Some may argue that it has not benefited by the change. If that be so, it is not Gene Tunney's fault and fortunately there are still left men who think as he thinks, and are prepared to preserve the true faith. Their difficulties are enormous in these days of commercialized showmanship which dominates the prize-fighter's game. That gospel of fitness has to be observed nevertheless and its influence is often strong enough to protect the art against itself, for all the insidious practices of the cunning devisor of new quips and tricks. So the modern boxer may find his commercial supporters embarrassing, but he cannot ignore the tyrant who is greater than they, the tyrant to whom the ring means only one thing: the delivery of the combatant in cast-iron fitness. That tyrant will tell the very champion himself:

Without me thou art nothing. Disobey me,
And all thy boasted strength shall
fall from thee.
With flaccid muscles and with failing
breath
Facing the fist of thy more faithful
foe,
I'll see thee on the grass cursing the
day
Thou didst forswear thy training.

Mr. Tunney is free from his tyrant of his ring days but, admirable hero, he has assumed the tyrant's responsibilities himself. He therefore strides through the world, no man of muscle run to seed, but a vigorous citizen who can set to his fellows fearlessly a fine example of the true champion's mettle. And it will be a bad day for the race when the art which he has so brilliantly expounded fails to appeal to youth and invite reverent emulation of the classic deeds upon its roll of achievement.

DIPLOMACY ON TOUR

Sir John Simon's visit to Berlin is over. The actual results have yet to be gauged. The official announcement properly preserves a discreet reticence and no-one can possibly pretend to draw from it definite encouragement or disappointment. The satisfactory point is that the discussions between Sir John and his German hosts have taken place. There is no ground for imagining that the visit has met unexpected difficulties, but speculation beyond that negative conclusion would be vain. Mr. Eden is to be deprived of the company of press correspondents, owing to the regulations of the Soviet Government in that regard. It is possible that Mr. Eden will, on that score at least, find occasion to be grateful to Moscow. Invaluable as the Press is in helping to smooth the path of diplomacy, the modern development of mass attack on statesmen and other notabilities of less importance has its drawbacks. Sir John Simon was too tired to talk to the pressmen in Berlin. Mention of that incident in his visit suggests strongly that newspapers would really do well to consider the usefulness of some of their methods. Public men nowadays are exposed to a terrific strain. Journalists themselves have some perception of that affliction. They also know that the victims of their assault have, by now, developed a protective technique which results in the delivery of many platitudes and precious few vital pronouncements, except when it suits the spokesmen's book. When all is said and done there is much to be said for the often-despised official communiqué. It saves the time of many a worthy reporter and if it frequently conceals more than it reveals, journalists would not be what they are if they cannot help the public to read between the lines.

FLAT RACING BEGINS

Although horses in England will still continue to go "over the sticks" for some time longer—is not the greatest steeplechase of all to be run on Friday?—last Wednesday's victory in the Lincoln Handicap is taken as the starting point of the flat racing season, which holds the interest of thousands—on and off the turf—until November next. There is the great breeding industry which looks to the meetings organized under the Jockey Club's rules for substantial encouragement in its activities. There are the owners of horses, the jockeys and the trainers. There are those who, if trodden gentry, the knights of the pencil, who always seem to be in danger of the workhouse but somehow land in Peckham with comfortable villas. There are the noble army of optimists who believe that sooner or later they may get the better of the "book." There are the folk who enjoy racing as racing. There are the variously courageous sportsmen who never go near a course and perhaps have never seen what a racehorse looks like—except on the films. They support the evening newspaper industry—especially its twelve o'clock editions, produced at ten in the morning. They have exultant moments when the mystic "two thirty" is announced by raucous voices in the London streets. They sometimes have to give way to depression, but they never admit it. They blazon their triumphs abroad. They are mute when disaster comes their way, usually because some oracle at their disposal, with special access to Lord Lonsdale's ear, has a certain means of remedy for the morrow. All that has nothing to do with Tattersalls or the Racing Calendar—but what matter?

FOR CANADA

Lord Bessborough's successor in the Governor-Generalship of Canada is that versatile author-journalist-politician Mr. John Buchan, who, presumably, in accordance with precedent will have the right to sit in the House of Lords when the time comes for him to leave the "faithful" Commons. The selection is outstanding of the beaten track but Canada has usually been fortunate in drawing her Governor-General from different sources of supply. She has seen a member of the Royal Family—the Duke of Connaught—occupy Government House at Ottawa. She has had a distinguished Indian Governor, destined to be an Indian Viceroy—in the Earl of Willingdon. She has also had a brilliant soldier, in Viscount Byng of Vimy. The Earl of Bessborough brought aristocratic and business experience to Ottawa, to say nothing of an appropriate sympathy with Canadian French sentiment in his choice of a wife. Mr. Buchan, a Companion of Honour, is a member of a highly exclusive order wherein he finds himself, among others, in

company with Mr. Winston Churchill General Smuts, and the Rev. "Tubby" Clayton. He has also shared, with royalty and the late Mr. James Brown, the distinction of temporarily dwelling in Holyrood Palace as Lord High Commissioner to the Church of Scotland—a post awaiting the Duke of Kent in a few weeks' time. As a Member of Parliament Mr. Buchan has been less prominent as a speaker than as a competent member of committees. He has thoroughly earned his appointment as a man of proved vision and intense devotion to the interests of the Empire, having served his apprenticeship as Private Secretary to Lord Milner in South Africa. He should do well.

FEWER MILLIONAIRES

Within four years the number of millionaires in Great Britain has declined from 819 to 452. This striking fact is revealed in the report just published of the Commissioners of Inland Revenue for the year ended March 31, 1934, which also shows a big reduction in the number of persons liable to super-tax and surtax. Figures for the two latest years available concerning millionaires and their respective incomes are:

	£	£0,000	1931-32	1932-33
	40,000	50,000	196	155
	50,000	75,000	184	178
	75,000	100,000	59	42
	Exceeding 100,000		85	79
Totals			534	452

In 1929-30 the total under these classifications was 819. This table tells a similar story as far as persons with incomes exceeding £2,000 a year are concerned.

	Persons	Total Income	Total Tax
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	Persons	Total Income	Total Tax
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Of the 134,193 estates which became liable to estate duty in 1933-34, one exceeded £3,000,000 in value, four were between £2,000,000 and £3,000,000 and receipts were £4,588,067, and eight were between £1,000,000 and £2,000,000 and brought in £3,817,878. The amount realized from all estates, both small and large, was £75,488,476. In the United States in 1933 were 46 persons with incomes exceeding £200,000, compared with twenty in 1932. In 1932 the number was 513.

THE MEMEL TRIAL

The outburst in Germany against the decision in the trial of 126 German-born citizens of Memel by the Lithuanian authorities comes at an unhappy moment. The trial began on December 14 at Kaunas. The charge against the accused was one of treason, including the alleged murder of an informer-member of their organization. In September last the German-born inhabitants of Memel, or Klaipeda, as it is now called, handed to the High Signatory Powers of the Memel Convention—Great Britain, France, Italy and Japan—a protest against the Lithuanian Government's alleged violation of the Convention. The suggestion was that an illegal state of affairs had been allowed to develop in the territory, justifying the intervention of the signatories. Sir Alexander

Lawrence, formerly Chief Assistant Solicitor to the British Treasury, was deputed by the prisoners' relatives to watch the trial but it has been by no means clear whether he has received adequate facilities. The prosecution's case included the allegation that the accused were acting under instructions and financial support from Germany. It is apparent that the sentences imposed have aroused keen resentment in Germany and it is to be hoped that a satisfactory solution lies in the suggested appeal to The Hague.

NATIONAL THEATRE

Further details in connection with the proposal to establish a national repertory theatre in London were given recently by Lord Lytton in an interview, from which it would appear that the movement which really started twenty-seven years ago has already secured £150,000 of the £500,000 required to finance the scheme. Of the first committee entrusted with the project so many years ago Lord Lytton and Mr. George Bernard Shaw survive. Had it not been for the Shakespearean tercentenary in 1916 and the preparations thereafter which were stopped by the War, and then the War itself, it is probable that the national theatre move would have progressed much further than it has, but it is hoped in connection with this year's Jubilee that the scheme will be brought to fruition. In the course of the interview Lord Lytton said:—

"A National Theatre would do no harm to the work that is being done brilliantly at the Old Vic, nor to that of any other of our admirable repertory theatres. Rather it is felt that there would not be a repertory theatre up and down the country that would not stand to gain by the prestige attached to a National Theatre in the capital. The influence it should have should be a stimulating influence on every branch of the theatrical profession. We would also be able to do one thing that the Old Vic cannot do—we would be able to keep our people. Everyone goes to the Old Vic to make his or her reputation—the young John Gielgud, and so forth. They go there to get their training and their experience—we make them—and then they go away again. The point of a National Theatre ought to be that it can keep its company with it."

The scheme embraces also the giving of long engagements to actors and even for pensions in the event of old age, so that the general scheme has about it some of the qualities which mark the policies of the Comedie Francaise. Whether this year will provide sufficient funds for the establishment of such a theatre remains to be seen, but of the need for such there cannot be much doubt.

"After a long experience of close contacts with Geneva and elsewhere, the British Government does not doubt that Britain's influence on peace would be enormously weakened if under present conditions, it were to attempt unilateral disarmament up to a point making it appear that the country was defenceless and unable to contribute to collective security," the Prime Minister, Mr. Ramsay MacDonald, said on Mar. 29 in reply to a resolution by the Essex Committee of the British Union for the League of Nations.

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SHANGHAI NOTES

MUNICIPAL POSTSCRIPT

Seldom does one contributor to the correspondence columns receive unintentionally on anyone's part—a direct reply to some of his arguments that Mr. John Barr has received from the Chairman of the Japanese Community Election Committee. Mr. Amano's letter unexpectedly established the main point which this journal endeavored to make during the course of the Municipal Election. Mr. Barr who is again congratulated on avoiding pseudonymity, deserves, however, the compliment of a further reply to other arguments which he developed and with which Mr. Amano could not be expected to deal. Neither MUNICIPAL OBSERVER nor the "North-China Daily News" has ever pretended that the Council and its officials are perfect. This journal does, however, insist that responsible Shanghaiers should pause before exposing themselves to the charge that they do not appreciate the remarkable achievements of the business men of Shanghai in developing at the Settlement's disposal a permanent civil service which, for integrity, public-spirit and efficiency, compares favourably with some of the best of such services in other parts of the world. Criticism there must and should be of public officials and elected representatives of the community but it should be framed with discernment and fair recognition of the governing factors in the administration which they direct. Mr. Barr and other critics show but the slightest sign of their understanding of the chief difficulty in the way of carrying out many of their otherwise excellent proposals—such as the enlargement of the Council and other changes in the method of representation. The Feet-ham Report makes effective reference to the virtual impossibility of effecting a change in the Land Regulations and this has been lately illustrated only too forcibly in the apparently trivial matter of the Council's desire to change the polling hours in the elections, in order more satisfactorily to meet the convenience of the "small man" for whom Mr. Barr so rightly pleads. Once again it must be pointed out that the recent election offered no opportunity of enforcing Mr. Barr's views on canvassing or representation. The only way to develop that admirable programme is to take advantage of the new attitude of the British Residents' Association and ensure a better preparation of the community for the selection of its nominees in future elections. There is much to be said on this point in due course and Mr. Barr himself might help to say it. In particular it is desirable to ensure that the views of the community other than American, British, Chinese and Japanese are more regularly taken into account. This can be done only by means of preliminary discussion within the national groups. It is becoming increasingly more difficult in the process of election itself. Mr. Barr seems to imagine that Shanghai has political peculiarities from which other places are immune. This will be conceded on one point at all events. It is, indeed, unfortunate that when a man has filled the office of Chairman with conspicuous ability and—if the conditions are faithfully regarded—with a great sense of public spirit, the community cannot forget political differences and, as often happens elsewhere, treat his candidature as *hors concours* by emphatic re-election. Mr. Barr will recognize that this view of Mr. Arnold's labours comes from no blind championship of "vested interests" but from a sense of fairplay and due appreciation of services worthily rendered. It is invidious to argue whether this or that member of the Council is the better champion of the "small man." For reasons which Mr. Justice Feet-ham recognized as entirely sound, the Council's proceedings are conducted in private. Any other course would be disastrous under present conditions. So, while Mr. Barr may contend that this secrecy causes his disbelief in the merits of the Chairman, he must also admit that it hampers the effective operation of his gratuitous faith in one or other of the Chairman's colleagues. Finally, in regard to the Rickshaw Board, Mr. Barr's impatience has this journal's sympathy, but he would do well to take into account the responsibility of the Council for the peace and order of the Settlement. In caution in developing the labours of the Rickshaw Board, disapproves ardent reformers, they are advised to study the situation more closely in the light of admitted facts as they are. This journal has been as critical as Mr. Barr of any tendency to capitulate to the Rickshaw Hordes, but its emphasis on caution is informed by a sober sense of dangers to which Mr. Barr appears alive if different, but which would certainly

CHERRY BLOSSOMS

Hana-mi in Shanghai in this year of the Wild Boar has been inclemently treated by the weather. Cherry blossoms which pinkly tinge Japan's countryside in the month of April require sunshine and merriment for their due enjoyment. Happily the festival, held under the auspices of Mr. and Mrs. T. Urabe, has been able to command the gentle hospitality of its sponsors to mitigate the unkindly attentions of the skies. Shanghai's international community was well represented at the gathering and if the ceremony of hana-mi itself had to be shorn of its outdoor pleasures the opportunity of traditional merry-making was not let slip. The Sakura-no-hana, as the cherry-blossom is called in its own country, has inspired Japanese poets and writers for centuries. It is taken to symbolize the ideal of Japanese perfection and it affords the occasion for a national holiday in which the friends of the Japanese community in Shanghai were delighted to share.

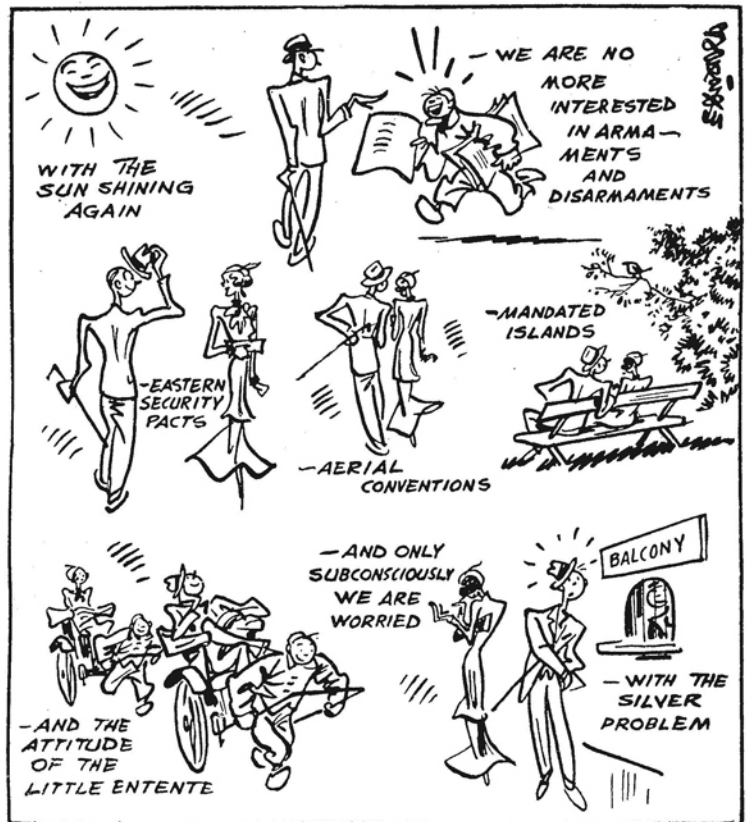
THE S.S.P.C.A.

As a friendly hint to that excellent organization, the Shanghai Society for the Prevention of Cruelty to Animals, which does such good work despite great handicaps, do its committee and present members seriously think that the best way to secure more members and still stronger support is to rub it in on every possible occasion, and in almost every piece of printed matter they issue, that "who is not actively kind is cruel"? Writing in ignorance of the identity of the coin of the phrase, it can be suggested that there is no great wisdom in it, and there is too much of the threat, or indictment, about it for it really to have any compelling influence. The foul face of cruelty fortunately in civilized communities is not to be seen at every step of the daily round. Indeed, an ordinary citizen may go for weeks and months without noting an instance remotely approaching cruelty, and his lot may be cast in some place where there is no Animals Protection Society and—blissful thought—no outstanding need of one. There is no call for that citizen to be "active" in kindness, and no chance to be, is he or she, then "cruel"? The Society's aim is the suppression and prevention of cruelty, and, where possible and necessary, it calls upon the Law to assist by meting out punishment. Would the Society punish those who are not "actively" kind, or does it suggest that there are degrees of cruelty, and, of course, kindness? Surely the latter cannot be contended with any confidence.

THE ELECTION RESULT

The sound and fury of the election contest as reflected in these columns failed to find reflection in the material placidity of the poll. The percentage of electors who cast their votes was even less than last year and actually below the figures in 1933 when the apathy of electorate received special comment. The result may provide an interesting study in psychology in view of the considerations put forward to induce the British community in particular to record its municipal opinion. With regard to aspect of the election it may be appropriate to deal at some future occasion. In the meantime attention may be drawn to a special appreciation which is given elsewhere by a bystander to whom the controversy has made an evident appeal. The electorate, despite the apathy, has decided to return all the "ticket" candidates. The two "independents" made a brave show and they have no reason to be ashamed of the support given to them, in whatever light their candidatures are viewed. The British electors vindicated their sense of international duty by ensuring the return of the Japanese and American candidates who, albeit kept apart by the instruction of Mr. J. H. Liddell, thus lead the poll. Then, in dealing with family affairs, the British voters, assisted perhaps by other impalpable factors, nicely balanced an ingrained discipline against an outraged feeling of independence. The "ticket" won but it emerged from the struggle in a slightly dishevelled condition. No bones have been broken and the losers have the comforting knowledge that they had a good run for their money. But this sort of political suicide will have to be relegated to private seances in future years if the community desires to preserve a satisfactory equilibrium. It can at least place itself on the fact that it has not lost either its temper or its head, but the latter article it seems to have kept mainly in the sand.

destroy his hope of reform if they materialized.



SPRING HAS COME

By SAPAJOU

THE FOURTH MARINES

The Fourth Marines have a happy flair for journalism and authorship. So the issue of the famous Corps' annual account of its doing in Shanghai is an event which invariably attracts notice and not a little envy. These soldier-scribes and their helpers manage to put together a most creditably produced collection of letterpress and photographs in record of their reactions to service here. Sport plays naturally a big part in the pageant thus unfolded. The traditions of the Marines are well maintained in permitting such pleasant irrelevancies as "Marine Ladies Quinlet" to vary the monotony of masculine splendor and dignity. Perhaps the same spirit is to be discerned in the jovial photograph of the "Hard Times Dance Winners," although, such is the skill of the soldier-actor, you never can be sure. Beside the appropriate attention to regimental routine and changes, scope is afforded for learning what the Marine as a Marine thinks of Shanghai. For instance he finds "man" foreigners here interested in his welfare. He makes friends and finds "in far-off China glimpses of the United States." He has an eye for China's crafts, scenery and genius. He wanders far enough afield to include Hangchow's charms in this record which, no doubt, will duly make its way to America. Finally he manages, of his generosity, to recognize the comradeship of "brother services" and so British, French and Japanese military portraits are presented in the proper vein of the true fighting man the world over.

"We have filled the trophy cases of these troops with little remembrances of many pleasant months spent with them. Although the majority of uniformed men in Shanghai can only speak to their comrades by means of signs due to unfamiliarity with foreign tongues, these signs are the unmistakable ones of the friendship formed between services which has been responsible for many deeds of history that have been handed down through the ages.

However faltering the language may be, the sentiments of the Marine are sound enough and attractively enshrined in cloth, paper and ink.

ROTARY'S PRESIDENT

The Rotary Club of Shanghai is to be congratulated on the election of Mr. G. W. Phillee as President in the room of Mr. Percy Chu, whose tenure of that office has been efficiently and gracefully conducted. Mr. Phillee is one of the chief stalwarts of Rotary here. He has been an energetic holder of posts which require much work to enable success to mingle with such ornamentation as they offer. In times of emergency, he has frequently come to the Club's rescue with a degree of self-sacrifice which has earned for him the general esteem of his fellow-Rotarians. He will have all good

wishes for a happy year of office which carries with it real responsibilities in effectively enabling the voice of Rotary to find suitable expression in a cosmopolitan city. He is ably supported by a strong executive and this journal specially notes with comradely satisfaction the election of Mr. Alfred Morley to the Vice-Presidency, which, perhaps, implies the casting of pleasant shadow of a coming event a year hence.

THE BIRD YEAR

Companion to the vernal equinox comes Mr. E. S. Wilkinson's new book, the "Shanghai Bird Year." It will be welcomed not only because, in common with other books on such a subject, it appeals to an open-air loving community, but because the plan on which it is conceived makes it such a readable and easy reference book to the layman. Week by week throughout the year local bird life is depicted both in the text and illustrations. In late March, for instance,

The outstanding event is undoubtedly the arrival of the swallows, and every bird lover will be on the look out for them.... The wagtails are passing by and the little ringed plovers have now arrived....

But the temptation to quote at length must be restrained, there is so much of interest not only of birds but of country life in general that will appeal to every nature lover. Sapa-Jou's sketches and other pen-and-ink work give point to the text. The work is published at \$3 and, we believe, is on sale to-day at all book-sellers. It is a companion work to "Shanghai Birds," a beautifully illustrated work in colour recently published at \$15. The two volumes may be purchased together for \$20.

ALLEGED TIMIDITY

That lively monthly the "People's Tribune" discusses the recent Municipal Elections in its current issue with some playful criticisms of this journal whose honesty and good faith it generally doubts, while, at the same time, paying a flattering tribute to an ingenuity which, it is to be feared, must be modestly disclaimed. In drawing a moral, the "People's Tribune" is depressed by the thought that the International Settlement—as distinct, of course, from other more enlightened parts of Shanghai—is "no place for the little fellow unless he knows his place and keeps it." It refers to the failure of a private advertiser to obtain more than eight supporters of a scheme for forming a Shanghai Rentpayers Association and it adds

But that does not mean that Shanghai people (I refer, of course, to the foreign community) are apathetic. It simply means that they are afraid. Mr. Brown-Jones, who has to pay about one-fifth of his salary for a three-roomed 'apartment' with a minimum amount of light, air and comfort, and Mr. Smythe-Robinson, who pays \$150 a month for a jerry-

built house supposed to have all modern conveniences but is lacking in most of them, are afraid to disclose their grievances in case this evidence is used against them—as it can be, very easily, and is! They don't want to lose their jobs in these hard times and to be a "marked man"—to be known as an agitator if not an out-and-out Bolshevik, means losing one's job. Not, of course, because of a very natural desire to get one's rent reduced, or anything of that sort, but "home office insists upon reduction of local expenses, and we are very reluctantly compelled to disburse with your services as from the end of the month."

This clearly echoes some of the observations let fall in the course of the election campaign, but it seems to show a pathetic disbelief in the independence of the community with which it affects to sympathize. It would be interesting to know how this insight into the mentality of the "small man" has been obtained. Casual observation suggests that a vocal assertion of grievances is a by no means unfamiliar feature of local controversy, even in the International Settlement.

THE CHINA COASTER'S TIDE BOOK

And Nautical Pocket Manual 1935

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Port Signals and House Flags.
Ships' Distinguishing Numbers
New International Code of Signals
Semaphore and Morse Alphabets.
Time of Sunrise, Moonrise, etc.
Astronomical Ephemeris, 1935.
H. W. and L. W. at Lanchow Crossing
Shanghai Semaphore Service.

" List of Pilots
" Sections of the Harbour
" Harbour Notifications
Head and Stern Mooring Berths
Harbour, Customs and other Regulations.
Signals, and Call Flags at the following ports:—

Shanghai Chefoo
Hongkong Taku and Tientsin
Canton Chinwangtao
Swatow Newchwang
Amoy Antung
Foochow Bangkok
Wenchow Keelung
Pukow Tamsui
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Remarks on Wind and Weather
China Seas Storm Signal Codes
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NEWS FROM THE OUTPORTS

HONAN'S FOUR YEARS OF PEACE

Provincial Chairman Accomplishes a Difficult Task in Good Time

In the latter part of the year 1930, the province of Honan was indeed in a parlous state. For a number of years it had been the centre of a succession of civil wars, culminating in a desperately fought one between the armies of the Central Government and the combined forces of Yan Hsi-san, Feng Yu-hsiang and their allies.

When the Central Government succeeded in driving out the enemy

have been dispersed, and now block-houses have been erected in these districts, as well as in the south of the province, and should there be any threatened recurrence of bandit trouble it will be dealt with at once.

The finances have also been reorganized. The land surtax has been abolished and 30 per cent of the land rents will be remitted each year still the amounts collected in advance have been repaid. Some 310 miscellaneous taxes have been abolished, while the tax on the transfer of property, which is the earmarked for the purposes of education, has also been reorganized.

The status of the districts magistrates has been changed in accordance with the regulations of the Central Government and they are now all specially trained for the posts they occupy.

Attention has been given to reconstruction and many of the cities have been largely rebuilt and now possess modern streets. With the help from the National Economic Commission, motor roads now run all over the province, in addition to which 2,768 kilometres of highways and about 8,000 kilometres of local roads have been built.

Every district has its Bureau of Forestry, and experts have worked in conjunction with the farmers for the improvement of the cotton and tobacco crops.

All this has been done in spite of many discouragements. Floods and famine have at times done great damage and the world's depression has heavily hit the farmers, who now get a very low price for their crops. This, of course, reacts upon the merchants and everyone may be said to be passing through hard times from the financial point of view.

Much remains to be done, but it is the firm intention of General Liu Shih and his colleagues to go ahead with their programme of reform, and if there is only peace in the land, it is certain that their success is assured.

In conclusion, we may add that no opium is now grown in the province.

KIANGSI REDS MOVE INTO FUKIEN

Small Band Takes Town of Wangtai Near Yenping

Peiping, Mar. 28.

Foreign reports reaching Peiping this morning indicate that a band of Communists from Kiangsi have penetrated into Fukien province and captured the town of Wangtai, 45 li west of Yenping a few days ago.

All telegraphic communications between Yenping and Shungchang has been interrupted. The number of Communists is stated to be comparatively small.

Meanwhile the danger that Communists in Kweichow, under Chu Teh, might be able to join forces with those under Hsiao Keh in Hunan has greatly diminished. Reports reaching Peiping to-day indicate that forces under Chu Teh are retreating westward out of Kweichow. The rapid rise of the Wu River and determined resistance on the part of Government troops combined to make it impossible for the Reds to cross the river eastward towards Hunan.

Szechieh, in north-eastern Hunan, has been recaptured by Government forces, and it is expected that Yung-shun will shortly be taken. The Communists, however, still hold Tawo, where it is reported they intend making a desperate stand. Tawo is described as a natural fortress. Government forces, however, are expected to be able to reduce Tawo and drive out the Reds within a month at most.—United Press.

FORESTS AS A CURB TO CHINA'S PERIL

Kweihua, Mar. 28.

An ambitious afforestation scheme is being mapped out by the Suiyuan Department of Reconstruction, with the express object of preventing floods consequent upon the overflowing of the Yellow River. It includes the planting of extensive forests along the river embankments for about 100 miles, from Pinho to Paotou and will cost in the neighbourhood of \$480,000.

The forest area will be one-third of a mile in depth along either side of the river. When completed, the area will have a total of 19,440,000 trees.—Central News.

FRENCHAM'S SAFETY CONFIRMED

C.I.M. Couple Officially Reported at Nancheng

Hankow, Mar. 26.
A message has been received from Sian confirming that Mr. and Mrs. Frencham are both alive and safe.—Reuter.

London, Mar. 26.
Mr. and Mrs. S. C. Frencham according to a message received here from the headquarters of the China Inland Mission, arrived early yesterday morning at Nancheng.—Reuter.

Nanking, Mar. 31.
According to telegraphic advice received from Sian, Mr. and Mrs. Frencham, who recently were taken captive by communist bandits, have safely arrived in Nancheng in south-west Shensi, and have been received

Foreigner Dies of Rabies in Hongkong

Hongkong, Mar. 31.

Following the discovery of a case of rabies among Army mules in Hongkong, a foreigner, Mr. J. A. M. Elphinstone, 25 years of age, has died of the dreaded malady.

Mr. Elphinstone was removed to the Kowloon Hospital in a serious condition this morning, and despite the best medical attention succumbed to the disease shortly after noon.

Strict precautionary measures to prevent an epidemic have been taken by the Government authorities, who have issued orders concerning the grazing of Army mules.—Reuter.

by General Sun Wei-ju, Shensi troops commander.

The message further reports that the Frenchams who have been captured and detained at Lichichu on the Szechwan border for seven weeks, appear to be in good health. It is learned that General Sun has delegated several officers to escort them to Sian in a few days.—United Press.

Miraculous Escape

There was a feeling that a miracle had occurred when the message announcing the safe arrival of Mr. and Mrs. Frencham at Nancheng was received in mission circles just before midnight on Monday, Mar. 25. The circumstantial and apparently well authenticated reports which had been received from time to time since the capture of the two missionaries—reports based upon stories told by refugees from Ningkiang, some of whom described with the vividness of eye-witnesses the scene outside the city when Mr. Frencham was supposed to have been killed had virtually wiped out all hope for Mr. Frencham. A spark of hope had been preserved that Mrs. Frencham was still alive. But the receipt on March 7 of a more detailed account of the supposed murder of Mr. Frencham, which included a tale how Mrs. Frencham had been shot while attending the wife of an officer in childbirth, caused that spark to diminish almost to vanishing point.

So faint had become the hopes that the couple were still alive that, when the mission authorities here received a few days ago a telegram stating that Mr. and Mrs. Frencham had been seen in the hands of the Reds alive and apparently well, no announcement of it was made, as it was considered useless to raise expectations among their friends and relatives that might never be realised.

It was true that official confirmation of the supposed deaths had all along been lacking. The reports received had been based on the tales of soldiers who had been defeated in Ningkiang, and refugees who found their way to neighbouring cities. So long as the Reds were in occupation of the city, it seemed unlikely that official confirmation could be obtained. Mr. Cardwaine, who was searching for definite news of the couple, refused to give up until he had found out whether they were alive or dead, however, and continued travelling round the outskirts of the district occupied by the Reds, in the belief that sooner or later he would unearth evidence to support the stories of the refugees or prove them false. Up to March 13, the date of his last written report to the C.I.M. headquarters, he had come across no traces of the captives at all. At that time he was at Lioyang, to the north of Ningkiang.

Nothing more had been heard from him until the telegram a few days ago that the Frenchams had been seen in the hands of the Reds. It will be recalled that similar conflicting reports, without, however, the happy outcome of the case of the Frenchams, were received during the captivity of the Rev. Bert Nelson in Hupeh, and Mr. H. S. Ferguson in Anhwei. The fate of these two gentlemen remains a mystery, though one was captured in 1929 and the other in 1932.

JAPAN BREAKS FROM LEAGUE

Fulfills Obligations and Drops Membership: No Power Check Advance Says Matsuoka

Geneva, Mar. 27.
Japan ceased to be a member of the League of Nations at midnight.

She gave the necessary two years' notice of resignation when the League rebuked her seizure of Manchuria and, at its expiration, the final act was taken yesterday, when the League Secretariat announced she had paid all dues and fulfilled all obligations.—United Press.

Geneva, Mar. 27.
Despite the breach with Japan, the League of Nations cannot ignore the preponderating situation of Japan in the Far East, declared Mr. M. Yokoyama, Japanese Consul-General here, in a statement to the press to-day.

"Nor can Japan," he added, "overlook the existence of the League as the most important organization in useful sociological work. Contact will be maintained in some shape though less directly. Japan will continue to collaborate in the humanitarian work of the League."

Concerning the mandated islands in the Pacific, Mr. Yokoyama declared that the Japanese Government would continue to present annual reports to the League.

The statement made yesterday by M. Joseph Avenol, Secretary-General of the League, in connection with the formal severance of all legal relations between Japan and the League, came in for sharp criticism to-day by Mr. Victor Hoo, Chinese Minister to Switzerland, who said that the statement was contradictory and not authorized by the Council or Assembly, and that it conflicted with Article One of the League Covenant.—Reuter.

New Era

Tokyo, Mar. 27.
Mr. Y. Matsuoka, who led the Japanese delegation from the League two years ago, said to-day that he attached the utmost significance "to the new era which is dawning for us."

"Anyone will recognize," he declared, "that there is no power on earth that can hold in check Japan's advance. The sooner the world Powers

JAPANESE DIPLOMATS TO CONFER

Meeting to be Held Soon at Paris

Tokyo, Mar. 28.

Acting under order from Mr. K. Hirota, the Foreign Minister, Japanese envoys to a number of European countries will meet in Paris shortly to discuss European politics and economics, it was learned to-day.

The conference follows the withdrawal of Japan from membership in the League of Nations and recent unsettling developments on the Continent.—United Press.

The meeting, which will be the first of its kind, will be attended by Mr. T. Matsudaira, Ambassador to the Court of St. James, (who will preside); Mr. M. Sato, Ambassador to France; Dr. Y. Sugimura, Ambassador to Italy; Viscount K. Murohara, Ambassador to Turkey, and Mr. H. Arita, Ambassador to Belgium. Mr. M. Hotta, Minister to Switzerland, and Mr. M. Yokoyama, Consul-General in Geneva, will also attend the gathering to report on matters concerning the activities of the League of Nations.

After attending the meeting, Mr. Matsudaira will return to London to be present at King George's Silver Jubilee celebrations. When these ceremonies are concluded in the latter part of June, he will embark on his first homeward trip in six years and report to the Foreign Minister.

Consuls in China to Meet

Mr. Hirota has further instructed Mr. A. Ariyoshi, Japanese Minister to China, to call a conference in Shanghai of Japanese Consul-General in China, prior to the Minister's departure for home on leave at the end of next month. Reports drafted at the meeting, which is to last a week, will be taken to Japan by Mr. Ariyoshi, who will hand them in person to Mr. Hirota.

A conference will also be held soon in Rio de Janeiro by Japanese envoys in South and Central America, it was indicated. The gathering will probably be presided over by Mr. S. Sawada, Ambassador to Brazil. Mr. G. Murakami, Minister to Peru; Mr. Y. Iwate, Minister to Colombia; Mr. M. Yano, Minister to Chile; and Mr. J. Yamazaki, Minister to Argentina, will be present to exchange views on the conditions of Japanese emigrants, the progress made by Japanese goods in Latin American markets and other diplomatic and economic issues.—Rengo.

recognize this, the better for the welfare of the world."

The "Osaka Mainichi," in a leading article on Japan's final withdrawal from the League, concludes that "the only way the League can restore its prestige is to admit frankly its past mistakes and show readiness to redress its past follies."

"We hope," it adds, "that at this juncture the League will be morally courageous enough formally to recognize Manchoukuo and make a public admission that Japan, in founding the new empire, was prompted solely by the necessity of consolidating Japan's own defence and maintaining tranquillity in the Orient, and that she had absolutely no ulterior objectives."—Reuter.

Tokyo Memorial Service

Tokyo, Mar. 27.

The second anniversary of Japan's withdrawal from the League of Nations was marked to-day by memorial services at the Soldiers' Hall.

The service was followed by a mass meeting, at which addresses were made by Viscount Makoto Saito, Premier at the time Japan announced her intention to withdraw from the League, and Mr. M. Nagai, former Ambassador to Italy.

Simultaneously with her withdrawal from the League, Japan has established a Bureau for International Conferences in Geneva, headed by Mr. M. Yokoyama, Consul-General there, who will take charge of all matters relating to Japan's co-operation with the League.—Rengo.

Gaimusho Silent

Tokyo, Mar. 27.

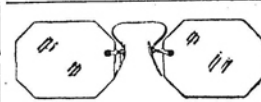
Beyond a few newspaper editorials, little public attention was paid to Japan's withdrawal from the League.

All of the papers, with exception of the "Asahi," give the question only secondary positions.

The "Asahi" played up a special Paris dispatch in which it was reported that members of the League had declared that they were "not unwilling" again to open negotiations regarding Manchuria. In addition, the paper published an editorial in which it asserted that Japan's diplomatic position has improved since announcing her withdrawal from the League in 1933.

The Foreign Office remained completely silent, except for saying that Japan will probably be invited to take part in the League's opium suppression committee in May, but does not expect an invitation to take part in the April meeting of the committee on the protection of women and children.

In commenting upon this, the spokesman declared: "Apparently the committee believes that the Japanese women and children are already well protected."—United Press.



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GENERAL LIU SHIH
Provincial Chairman of Honan

forces, they reorganized the government of the province, and General Liu Shih, Commander of the First Army, was made the Chairman of the provincial committee.

His task was indeed a difficult one, for there were some 200,000 troops still in the province under the various generals, many of whom were more or less independent, but who, nevertheless looked to the Central Government for a certain amount of financial and other support. The people suffered greatly through the exactions of these warlords, who not only made frequent requisitions for money and stores, but also instituted a number of irregular taxes in the districts under their control.

In the south, five of the richest rice growing districts were in the hands of communists, who had set up a government of their own, and who, ruling with indescribable terror, had reduced much of the countryside to a mere shambles. In the west of the province numbers of bandits roamed about almost at will, and a large track of country near Nanyangfu had been reduced to utter ruin. The land tax had been collected for several years in advance, and the condition of the people was very desperate.

Small Number of Troops

The task before the new Provincial committee was indeed an onerous one, but fortunately the programme set for the reconstruction and rehabilitation of the province has been carried out, largely owing to the fact that General Liu Shih has been for the whole of the time, Chairman of the province, and there have been few changes in the personnel of the local government.

It is hard to believe, but it is nevertheless true, that at the present time there are only about 10,000 troops in the province, with the exception of a force on the Honan, Hupeh and Anhwei border which is acting as a defence against communist inroads.

Law and order are maintained by the Peace Preservation Corps, which is a locally raised contingent in each district, and is under the direction and control of the district magistrate. The police have been thoroughly reorganized and all their officers are now specially trained men.

The work of attacking the communists proved a difficult one, but under the direction of General Liu Shih roads were built leading up to the districts which they held, and in 1932 they were finally driven out, some of them crossing over into Shensi and from there going to Szechuan. One of the liberated districts is now known as Ching Pu Hsien, in honour of General Liu Shih whose literary name or hao is Ching Pu.

After this, the bandits in the western part of the province were tackled, and it is now possible to travel in many districts which for years have been too dangerous for the ordinary person to visit. About one hundred bands, numbering between fifty to sixty thousand men,

WHITE RUSSIANS AND THE C.E.R.

Emigrant Press Hopes for Employment to Follow Sale of Railway

FROM OUR OWN CORRESPONDENT

Harbin, Mar. 17. In all the departments of the Chinese Eastern Railway the staff have been working at very high pressure during the past few days so as to close up all accounts by March 20, as ordered by the general manager. It is understood that all will be discharged on Saturday, March 23, receiving three months' notice to that effect, but it is also possible that some will be requested to remain in their posts for a couple of weeks to show the new staff where all the books and accounts are kept and to give details of amounts due to the railway and amounts still to be paid out. The notice of discharge applies to both the Board and Administration and in the case of the former, as the Board will be entirely abolished, the magnificent premises in the Station Prospect are to be handed over to the Governor of Pingsiang Province to be used as his offices.

The President of the C.E.R., Mr. Li Shao-keng, one of the outstanding figures of North Manchuria, who so successfully carried through the negotiations with Soviet Russia at Habarovsk in 1929 and who has so very tactfully worked as President of the C.E.R. during the past three years, will, therefore, be out of a job, but there is no doubt that he will very quickly be appointed to some other post in the Manchoukuo Government. Rumour has it that he may become one of the Privy Counsellors, while others think that he may be sent to Moscow to represent the young state at that capital. For this post he would be eminently suitable as he speaks the Russian and has a great knowledge of international law as well as well versed in diplomacy.

It is reported that the vice-president, Mr. S. M. Kuznetsov, will return to Harbin immediately after the sale agreement has been signed in Tokyo and that afterwards he will be appointed Foreign Commissioner at Habarovsk in place of Mr. Melnikoff, who also has much to do with Harbin affairs.

Counting Chickens

While the railway servants are concluding their work in their usual quiet manner, the emigrant press is writing columns regarding the number of Russians who are to be engaged on the railway, though it seems hardly possible that any will be engaged for office work as there are plenty of Japanese and Manchus to fill the places vacated. It is curious to note the tone of the semi-official paper "Harbin's Vremya" compared with its daily attacks on Soviet citizens before the agreement was finally settled. Thus in its edition of Friday, March 15, the paper writes "The servants of the North Manchuria Railway (C.E.R.), Soviet citizens, will hand over their duties and, therefore, all new servants who are Russian emigrants must act in a peaceful manner with these servants. If any of the new servants allows himself in any way to mock, insult or offend any of the Soviet servants, such persons will be immediately discharged from the railway service and will not have the right to serve at any time and anywhere in the Manchoukuo government service. Of course this does not mean that the emigrants should become friendly with the Soviet citizens. All new servants should particularly remember the above and not conduct themselves in such a way for which they will be sorry afterwards and which might have serious results for all emigrants." The paper then goes on to say that as the railway will now be a purely commercial one the salaries to be paid will be much smaller than those paid when it was a political concern of the U.S.S.R.

Preparing for Exodus

Telegrams received from Moscow advise that the Soviet Commissariat of Ways and Communications is preparing special passenger trains to carry all the railway servants discharged from the C.E.R. from the frontier station of Manchouli to various parts of Russia. These trains will have restaurant cars, but at all the main stations along the Siberian main line, hot meals will be found ready on the arrival of the trains. Special baggage vans will also carry the personal effects and furniture of the railway servants, no restrictions being made on what they take with them and no duty to be paid. A special commission has been appointed to find situations on the railways in the U.S.S.R. and many have already been advised of the posts selected for them, which they have the right to refuse if they prefer some other district. For those who have been overworked, a month or two months' rest at some health resort will be provided all free of charge. Besides this, a sum

of 4,500,000 chervonets has been allowed for the needs of the railway men who are returning to Russia.

Furthermore Russian emigrants are invited to return to their native home and there are already many who have taken advantage of this and are being supplied with visas and Soviet passports. Even the local emigrants feel that there will be little work for them once the Soviet management return to the U.S.S.R.

Last Great Soviet Ball

Last night the last great Soviet ball and concert evening was given simultaneously at the Railway, Mechanics and Terminal Club. A large number of Soviet railway servants and their friends. The best artists in the city gave their services free as the proceeds of the evening were to be given to the Fund in aid of poor Soviet children's education. As regards the Harbin Benevolent Society, which is a Soviet institution, most of the staff that had been housed in the orphanages have already been sent to similar institutions in the U.S.S.R. and the society will cease to exist. The Soviet railway servants have also given liberally to all charitable institutions in Harbin and their departure will cause a fall in the receipts of benevolent societies. The Soviet railway chiefs supported such institutions as the "Vasil" Homes for poor children, though this is an entirely independent charity, and it will be almost impossible for such homes to continue.

Trade in the City

There is likely to be very good trade in the stores of Harbin for the next couple of months as Soviet railway servants will be buying many articles to take home with them, even furniture. Following the departure of the Soviet citizens, it is likely that a very heavy drop in trade will be seen as far as concerns store trade, while restaurants and cinemas will find their visitors greatly reduced.

Reduction in Rail Tariffs

Immediately on the railway being taken over, a reduction in goods tariff will be made and it is also expected that passenger fares will also be reduced as at present they are far too high. Probably a night train will be started between Harbin and Hsinking, which would be a great boon, the present day service being inadequate in more ways than one. A night service would enable Harbin residents to travel to Hsinking and back by night, simply spending one day there, instead of taking three days as at present, one down, one up and one there. A cheap return fare would cause many more people to travel up and down to the capital, bringing it into closer connection with this great commercial centre.

C. E. R. GAUGE BEING NARROWED

S.M.R. Trains to Travel to Harbin in August

Dairen, Mar. 26. With the unification of Manchuria's railway network, military as well as regular freight and passenger trains will soon be able to traverse the length and breadth of the new State. Hitherto unable to penetrate further inland than Changchun, S.M.R. trains leaving Dairen will be able to make the journey to Harbin as early as August and shortly after that—probably before the year ends—to Manchuli, on the west, and Pogranichnaya (Suifeng) on the east.

A gang of 2,000 railway workers is narrowing the five-foot gauge of the C.E.R. between Changchun and Harbin to conform with the standard S.M.R. gauge of 4 feet 8.5 inches.

As soon as the southern section is narrowed, similar alterations will be carried out on the eastern and western sections. The eastern branch covers the distance from Harbin to Manchuli and the western from Harbin to Pogranichnaya. The total length of the C.E.R. is approximately 1,726 kilometres.—Reuter.

Soviet C.E.R. Workers Released

Changchun, Mar. 28. Eighty-three Soviet employees of the Chinese Eastern Railway, arrested on charge of Communist intrigue some time ago, have been released and repatriated. This development is the result of negotiations between the Soviet Consul-General at Harbin and the Manchoukuo authorities.—Reuter.

PRETTY WEDDING IN KULANGSU

Miss Verster and Manager of J. C. J. Lijn

FROM OUR OWN CORRESPONDENT

Amoy, Mar. 15. The Union Church, Kulangsu, was beautifully decorated and every available seat occupied on the 11th inst. when Miss Maria Cornelia Christina de Balbian Verster was married to Mr. Herman Millius van der Schalk, assistant manager of the Java-China-Japan Lijn in Amoy. Miss Verster had arrived two days previously from the Netherlands and Rev. W. P. Williams came specially from Foochow to conduct the ceremony. There was afterwards a reception given by Mr. A. H. Veltman in the J. C. J. L. residence.

The "Commercial Weekly" in its old form apparently died last week, to arise on Monday as a new venture as the "Far Eastern Commercial Daily." This new paper contains the daily press news, so that for the first time in the history of Amoy residents are able to obtain the latest cables from London without having to await the arrival of mails from Hongkong or from Shanghai. Mr. J. A. Roberts, of Amoy University, is editor-in-chief and Mr. S. C. Huang is editor. So far each issue, which costs ten cents, has consisted of a sheet of four pages, but on Saturdays a sheet representing the old "Weekly" is to be added as a supplement.

Short Haired Students

In accordance with recent instructions issued by the Board of Education students in primary and Middle Schools have had their hair clipped close to the scalp. The shaven heads present rather a grotesque appearance and the order is not popular with those who formerly devoted considerable attention to the immaculate arrangement of their coiffure. Every morning the pupils have to assemble for the official raising of saluting the national flag. Students in the first year of the Senior Middle School have shortly to proceed to Foochow for an intensive course of military training which involves giving up all normal scholastic work for the remainder of the present term. By order of the Bureau of Public Safety "Clean-up Day" is being observed to-day in Amoy. In the Chung Shan Park a special meeting is being held at which all officials will be represented and students will conduct a campaign amongst the people for the encouragement of cleanliness and hygiene in the interests of public health.

At the meeting of the Amoy Rotary Club, Mr. E. H. Munson, founder of the Foochow branch, gave an interesting and instructive address on present conditions in China, a subject on which he is well qualified to speak having recently visited fifteen of the Chinese provinces and came in contact with leaders and experts in all parts of the country. His address was greatly appreciated by all.

Racing for Amoy

A race course track is at present under construction on a site beyond Amoy University, in the neighbourhood of the aerodrome, and will probably be opened in the near future. It is understood that this venture is being made by a local millionaire, Mr. T. E. Oei, of the China & South Seas Bank.

Admiral F. B. Upham, Commander in Chief of the Asiatic Fleet of the United States of America, is expected to pay a brief visit to Amoy, arriving here on March 26, on board his flagship U.S.S. Augusta. Politically conditions continue to improve in South Fukien as the Eastern Route Army becomes more firmly established. There is still, however, a considerable amount of confusion in the extreme western parts of the province, a district too extensive to be completely guarded by the national troops and the people continue to be harassed by the inroads of bandits. It is reported that a recent encounter the guards were overcome and made prisoner when their supply of ammunition failed. The inhabitants fled to the hills but their homes were looted in their absence.

OBITUARY

Mr. K. Yosano

Tokyo, Mar. 26. Mr. Kan Yosano, poet and professor at Keio University, died this morning of pneumonia at the Keio University Hospital after being ill for almost a month. He was 63 years old. Deceased was born in Kyoto Prefecture and, with the assistance of his wife, also an outstanding poet, led the "Myojo" school of literature.—Rengo.

Pte. George Kellotat

Peiping, Mar. 28. Marine Private George Kellotat, 23, attached to the Legation Guard, died here to-day of pneumonia. He was the son of Mr. August Kellotat, of Portland, Ore.—United Press.

PLOT AGAINST RULER OF MANCHOUKUO

Korean Move Nipped in Bud by Dairen Police

Dairen, Mar. 30.

All Dairen is agog over the alleged discovery of a plot on the part of 23 Korean malcontents to assassinate the Emperor Kang Teh, of Manchoukuo, who is due to leave here for Yokohama on April 2 in the 35,000-ton Japanese battleship Hiyei.

The would-be assassins are reported to have designs not only upon the Emperor, but also upon many leading Manchoukuo and Japanese civil and military officials. They are also said to have laid plans for "national wide acts of destruction."

The conspirators, who are alleged to have belonged to a Shanghai gang, are stated to be waiting aboard junks in the hope of entering Manchuria undetected at various points.

First warning of the reported plot came in the form of a notification from Changchun to all stations to keep a close watch for the alleged conspirators.

The warning has stirred the police of the Kwantung Leased Territory into considerable activity. The waters between Dairen and Japan are being searched for suspicious-looking craft, while all passengers aboard incoming ships are being subjected to a close examination.

Emperor Kang Teh, who is leaving for Tokyo on April 2 on a formal visit to the Imperial House of Japan, will be accompanied by a retinue of 83 persons, including the Minister and Vice-Minister of the Imperial Household, the Lord Keeper of the Privy Seal, the Minister of Foreign Affairs, the Commander-in-Chief of the River Patrol Fleet, the Director of the General Affairs Board and other high officials.

It will be his first trip abroad since his accession to the throne, on March 1, 1933.—Reuter.

PRESENTATION TO H.M.S. SUFFOLK

Appreciation of Aid to ss. City of Cambridge

Hongkong, Mar. 29.

A thrilling drama of the high seas was recalled here to-day with the presentation of silver plate to H.M.S. Suffolk by the Ellerman Lines, Ltd. of Glasgow, owners of the British freighter City of Cambridge (7,000 tons).

The gift was handed to H.M.S. Suffolk by Admiral Sir Frederic Dreyer, Commander-in-Chief of the China Station, on behalf of the donors.

The plate bore the following inscription:

"Presented to the Captain, Officers and Company of H.M.S. Suffolk as a token of thanks for the very courageous aid lent the Officers and Men of the City of Cambridge in October, 1934."

The City of Cambridge was wrecked on Pratas Shoal on October 6, but, despite mountainous seas, the officers and crew, some 80 in all, were rescued by H.M.S. Suffolk, which had raced to the scene in response to an S.O.S.

The Suffolk launched boats, which ploughed through the heavy seas and took off all those aboard, the operation placing the rescuers in grave danger of their lives.

The rescue was commended at the time by the Governor of Hongkong, Sir William Peel, as "a fine performance carried out under most difficult and dangerous conditions."—Reuter.

RESTRICTIONS ON CHINESE ENTERING MANCHURIA

Peiping, Mar. 24.

According to information from the railway authorities, since restrictions on Chinese travellers entering Manchuria were imposed, about 2,000 people are still detained at Shan-haikuan. This incident is not likely to have any serious consequences. It is stated, it has already, semi-officially, been taken up with the Japanese and an amicable settlement is expected in the near future.—Reuter.

NANKING-WUHU RAILWAY OPENS APRIL 1

Nanking, Mar. 26.

The Nanking-Wuhu Railway, 98 kilometres in length, is nearing completion. A trial run for freight traffic will be made on April 1, while a regular service will be opened in the middle of next. Twelve locomotives purchased from the United States have arrived at Shanghai.—Chief Agency.

TIENTSIN IN DANGER OF FLOODS

General Mismatching of Dyke Repair Work

Tientsin, Mar. 30.

Owing to strong north winds and the continued rise of the Yellow River, repair work on the Tashing dyke is making little or no progress. Mr. Hu Yuan-hui, Hopei Commissioner of Reconstruction, who has returned here after a two-months' inspection tour of northern Hopei, has expressed the opinion that, if the Tashing dyke should be washed away by the rising torrent, the river may change its course and flow northward through the Ching and Wei rivers and menace the Tientsin area as well as a large part of Hopei and Shantung provinces.

The Commissioner said the repair of the breached dykes had failed because of the adoption of age-old methods which are by no means effective, lack of funds, failure of the River Commission authorities to divide the work properly among the workers, and general mismanagement.—Central News.

JAPAN HESITATES TO LEND ARTS

Endeavour to Obtain Loan for London Exhibition

Tokyo, Mar. 25.

"To lend or not to lend," was the question confronting officials of the Cultural Relations Bureau of the Foreign Office here and art connoisseurs to-day as negotiations were begun to secure Japanese art pieces for exhibition in London.

Mr. Robert Lockhart Hobson, keeper of the Department of Oriental Antiquities and of Ethnography in the British Museum, who is now in China, is expected here in May to make arrangements for a loan of art pieces to be displayed at an Oriental Arts Exhibition in London for sixteen weeks beginning in September, to commemorate King George's silver jubilee.

Japanese authorities in charge said to-day they were hesitating to make the loans in view of the damage Japanese art pieces are likely to suffer when taken abroad. While porcelain articles, sculptures and relief works were likely to be harmed by shocks and jars resulting in transport pictures drawn on silk and paper were liable to suffer from dampness at sea.

In addition, art pieces listed as national treasures, require special permits of the State Minister in charge whenever they are intended for public exhibition.—Rengo.



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FARMERS FEAR A BAD YEAR

Districts Without Rice in Hunan

FROM OUR OWN CORRESPONDENT

Siangtan, Hu, Mar. 19. The mild winter has ushered in an early spring. There has been no snow to speak of in Hunan this winter, and the drought of the summer extended into the autumn and winter. The writer has not seen in his 33 years in Hunan such a long extended drought. The ponds and irrigation ditches have been empty up to a few weeks ago. There has been a great scarcity of water in some country districts. All the ponds have been deepened and the earth carried on to the rice fields for two purposes, to deepen the ponds so they will hold more water and to fertilize the fields. All through the country the bottom of the ponds as well as the sides have been planted with vegetables.

The spring rains have started and the farmers have sufficient water to cultivate the rice fields, but many a countryman shakes his head and says this is going to be a bad year. Others have also prophesied floods. Meanwhile the price of rice has taken a slump of more than a dollar per load. This is good news to the many poor people.

There has never been a time when so many beggars from the country have been seen on the streets of our cities. This is on the increase.

Some country places have no rice and there is still several months to harvest. At Isuhu a rice riot on a small scale took place a few days ago. The report said 1,000 beggars came to the village, which has been a large rice mart, to beg and when some were refused, the whole crowd rushed the rice shops and took what they could get. The Siangtan Mayor sent soldiers to the spot and a settlement has been made. The people ask significantly, what is to keep hungry people from doing this again and again while there is plenty of rice coming in, too many people have not the where-withal to buy.

Doctors on Visit

The shifting of the Communist menace to the northwest has seemed to leave the south and southwest peaceful. Reports of victories against the Reds in the northwest keep coming in.

The Canton-Hankow railroad construction work is being pushed and is already ahead of schedule. The writer in a conversation with a student engineer on the Chuohow-Hengshan sector said except for three big bridges there would be trains running through to Hengchow during the summer or early autumn.

A delegation of doctors headed by Dr. Edward Hume and Dr. Wang, Superintendent of Siang-ya and Dr. Long, of the Hunan government public health bureau visited Siangtan recently. They came to discuss with the Siangtan Presbyterian Hospital the question of co-operation in medical and public health work. The local Mayor and Mr. Ho, one of the leading citizens of the City, were co-opted to make proposals and to promise the support of the City government. The government of Hunan has a large programme and while funds are not available for carrying out the full programme all at once, there seems to be nothing else to do but to try to carry out gradually this sort of co-operation. It is easy to see difficulties, and to point out pitfalls but to not give it a trial is impossible. The proposal is to have, in all the 75 counties, a public health centre and the first step is to co-operate with the Mission hospitals in those counties where the work is already being carried on. Dr. Hume has been employed by the government for two months to help carry through this idea. Dr. G. T. Tooteil of Changteh was in our City recently and reported that the same delegation had visited Changteh and progress has already been made in the launching of this new enterprise. Dr. Tooteil came also to see the Presbyterian Hospital and Dr. I. W. Deng, Dr. Deng is medical superintendent. He has been ill for some time and arrangements have been made for him to have a needed rest. Dr. Feng of Changteh is being sent to substitute for a few weeks.

The Siangtan Middle School under its new management is carrying on in spite of reduced grants from a full school. The new principal is a man of influence and even though the teachers have had to take substantial cuts in salaries, there is good co-operation in the teaching staff, many of whom are new.

The new ferry across the river for the Tan-pao motor bus road here is proving to be a great boon to through passengers from Changsha. This ferry was pushed through recently, because of so many buses being used for transport of troops

SPRINGTIME IN HANGCHOW

Business Dull in Bright Countryside

FROM OUR OWN CORRESPONDENT

Hangchow, Che, Mar. 27.

The annual miracle of spring, in "Heaven below," is just as eloquent as ever, and all the surrounding country is girded with gladness. Brightness, however, does not penetrate the prospects of the business men who, with the artisans, are deeply conscious of a haunting sense of gloom. It is amazing to see the number of shops and places of business closed down, and, to say the least, it would seem that trade has never offered a more tarnished outlook. Moreover, there is untold suffering amongst the farming class on account of the failure of last year's harvest, through the historic drought. This has laid a very heavy toll of want upon the men and women of the soil. Fortunately, rice, and other commodities are cheap, but money is scarce and tight, and most people are truly puzzled how they will ever climb out of the trough of economic despondency.

The Hangchow officials are on edge. They are thundering for reform. The wheels of progress do not go round fast enough for them. The special corps of police are trying to keep everyone in order. It is most interesting to see them on duty in the main thoroughfare and their frantic efforts seem of no avail in persuading the pedestrian that he must "keep to the right." It will take at least another generation before some of the users of the highways awakened to the importance of cultivating road sense.

The New Life Movement is being boomed as "The key to the salvation of our nation." There is a widespread appeal to reform the habits and so create a new society. It is remarkable how some of the old learning, discarded by young China, is now being requisitioned to form the pillars for the erection of the long desired structure of National Reformation. Up to date slogans meet one at every turn, and the populace are reminded that it is their bounden duty to "Hustle." Much of the New Life Movement propaganda is necessarily banal and unimpressive. Imagine the chagrin of a group of men whose rice bowl has been broken, because of the depression, reading an exhortation written on white cloth and slung across the street—"If you haven't a job, then go and seek one." However, it is very significant that an effort is being made to apply the four cardinal virtues of the old Chinese Classics to the food, clothing, shelter and activities, of the daily life that a solid foundation will be made of the common people, with the hope for the future of the nation.

Military Spirit in School

School life throughout the city is full of stir. The Educational authorities seem determined that the students shall not lack the bracing air of discipline. The plans, policies and objectives of the Government are being pressed with vigour, but, alas, the military spirit is predominating and very soon the sound of the school bell will be changed for that of the bugle.

Great preparations are being made to celebrate the custom of worshipping the graves. This old time feast of "Clean and Bright" is suffering a change of name in the march of modern life. It now goes under the title of—"The Feast of Labour Day" and school children, especially, are encouraged to plant trees to commemorate the occasion.

Activities in the Churches do not slacken. A fine united gathering was held the other day when impressive messages were delivered on the subject of "The Child and the Home." Also a very fine report was given by Dr. Bao on a four months' survey and study of Christian work in all parts of China. Dr. Bao served on the Committee which set out to perform this task.

With the warm days of spring, Hangchow is crowded with pilgrims. The worshippers of Buddha, mostly hailing from the country, saunter along the streets in groups and give the appearance of having been awakened to a sudden nostalgia for incense and shrines. Judging from the great crowds making the round of the temples, it is quite evident that China has not yet awakened to the fact that a molten image is but an image after all.

and equipment from Changsha to Paoching when the Governor moved his headquarters hastily from Hengchow to Paoching. It is more convenient and through passengers do not need to ferry across the river and wait for buses here, but take through buses from Changsha to Paoching. The new bus station or the rebuilt station is the most imposing building in Siangtan and the best bus station in Hunan.

THE AMENITIES OF NANKING

Big Funeral Procession for Gen. Lu Ti P'ing

FROM OUR OWN CORRESPONDENT

Nanking, Mar. 18.

Even had Nanking been affected as has Shanghai by the world depression it would be difficult in this spring weather to take a really gloomy view of life. The hills are already covered with flowering shrubs, purple, pink and white, and the ground carpeted with violets and myriad other flowers. In addition to the wild flora there are acres of peach trees in full bloom outside the Nanking city walls, and their contrasting colours (they range from the deep ornamental rose to the palest pink) added to the vivid green of the paddy-fields, and the winter brown of the oak-leaves which still refuse to give right of place to the new green buds, form a really beautiful colour scheme.

Far from being a dull Port with none of the amenities of Shanghai as so many people imagine, Nanking is on the contrary a place where most people can find the recreation they enjoy best. Tennis, badminton, riding, shooting, bridge, mahjongg, dancing, cinemas, and golf are all to be had.

Though comparisons are odious we cannot refrain while admitting the attractions of the Hungjiao golf course, from adding a word in praise of the Golf and Country Club here.

Perched on the side of a hill it commands a most beautiful view stretching for miles into the distant mountains, and the approach is through lovely wooded lanes. The main room of the club house is very lofty but otherwise reminiscent of the Elizabethan period with an enormous open fire-place where in winter time huge wooden logs are burnt. Surrounding it is a wide verandah where children are allowed though they are wisely excluded from the house itself.

Unfortunately at present there are too few Chinese members but once it is fully realized how delightful it is and how wonderfully fresh the air, it seems likely that many more will join even although uninterested in the game itself.

With the number of arrivals and departures in Nanking during the past few weeks, both in Legation, Consulate, and League of Nations. Circles there have been an almost unprecedented number of cook-tail, lunch, and dinner parties. Now, however, that many of the newcomers are accomplished and the farewells to Mr. Blunt over, Nanking will doubtless settle down again to its normal social activities.

Funeral of Gen. Lu Ti P'ing

On Thursday last in the brilliant spring sunshine took place the funeral of a well known and highly honoured public figure, namely, General Lu Ti P'ing, recently Chairman of Chekiang Province.

The late General was born in 1887 at Ninghsiang, Hunan, and during the past few years has held the following distinguished official appointments. In 1928-9 he was Chairman of Hunan province and was later appointed Garrison Commander of the Wuhan Area. From September, 1929, to November, 1931, he held the responsible position of Chairman of the Kiangsi Provincial Government and in the latter year he was transferred in the same capacity to Chekiang. In December last on account of ill-health he was offered and accepted a less arduous military appointment in Nanking.

Unfortunately the change proved of no avail after a few weeks in the Capital, China mourned the loss of a devoted and respected patriot.

The cortege presented a most impressive and dignified spectacle of a predominantly military character. The procession was headed by a regimental band provided from Units stationed in Nanking. This was followed by a complete battalion of the New Army in full marching order. Next came two additional bands provided by the Navy and Army, respectively. These in turn were followed by a company of unarmed infantry carrying large artificial floral wreaths.

Preceded by the late General's horse and a large number of mourners holding the ropes attached to the catafalque in accordance with the Chinese custom the long procession slowly wended its way along the Chung Shan Road. The usual scrolls and a portrait of the deceased were in evidence, and a large Dragon surmounted the catafalque which was enshrouded in a magnificent piece of embroidered tapestry.

The rear was brought up by a posse of mounted police and numerous cars and carriages containing friends of the late General, who united in a desire to pay their last respects to a man who deserved well of his country. A word in praise must be said of the three bands who played suitable music in slow time, and the efficient appearance of the troops.

HAPPY S.A.D. NO. 3 AT HANKOW

Story of a Prosperous and Progressive Year

Hankow, Mar. 28.

The annual report for 1934 and the Budget for 1935 issued by the Municipal Bureau of S. A. D. No. 3—the former British Concession—strike an optimistic note. The Bureau announces the practical completion of its extensive scheme of road improvement, which has been carried out from direct taxation; an excess of income over expenditure of \$12,519.42, or \$904.75 above the estimates; and a decrease in taxes for the coming year representing approximately \$32,500. Several buildings, including a four-story bank, have been completed and many others are in course of construction.

The health report shows that there has been an improvement in the water supply, which has been made safer for domestic purposes with the adoption of chlorination. An excellent police force is being maintained, and further housing facilities for the men have been completed. A hospital room has been built and a co-operative store, where purchases can be made at economical prices, has been inaugurated.

The district census shows that there are 10,459 Chinese living in the area, 172 British, 57 Japanese, 40 Americans, 21 Russians, and 11 Germans. These, with some Danish, seamen, and Portuguese nationals, bring the population to a total of 10,667 persons.

The fire brigade report shows that the total value of property destroyed was less than in 1933.

The only black spot in the balance-sheet is the reserve for bad debts, which includes debts incurred and unrealized consequent on military occupation, and for depreciated currency. The Budget for 1935 estimates a surplus of \$2,102.40—Keuter.

Hankow, Mar. 29.

At a meeting yesterday of the rate-payers of the Special Administration District No. 3 of Hankow (the former British Concession), presided over by Mr. T. T. Kuo, Director of the Bureau, the following Councillors were elected for the Municipal year 1935-1936:—Messrs. W. S. Dupree, A. E. Marker, T. J. Fisher, Y. K. Tang, Y. Shen, and Chow Sing-tong.

Mr. H.A.F.B. Archer, H. M. Acting Consul-General, congratulated Mr. Kuo and the members of the Council on their indefatigable labours.—Reuter.

JAPAN TO ENLARGE AIR FORCE

Three Units To Be Added to Present Strength

Tokyo, Mar. 31.

Plans for the establishment of one additional aircraft regiment each in Central Japan, Northern Korea and Taiwan have been decided upon as a part of the Army's four-year programme for the strengthening of the aerial branch of Japan's national defence, the War Ministry announced to-day. This will bring the number of aircraft units to 11.

The programme will cost Y.48,340,000 during the 1934-35 fiscal year, the necessary appropriations having been included in the Budget approved early this month by the 67th session of the Diet.

An aeronautical engineering school and a training school for junior flying cadets, for adult students and young boys who are now receiving their instruction jointly at the Tokorozawa Army Flying School, will also be established.—Rengo.

KOREAN ANNEXATION CELEBRATIONS

Governor-General to Consult Tokyo Leaders

Keijo, Mar. 28.

The 25th anniversary, on October 1, of the annexation of Korea by Japan is to be celebrated by the Japanese Government.

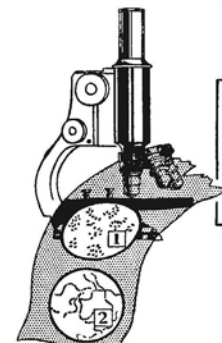
Gen. K. Ugaki, Governor-General of Korea, is to visit Tokyo in the middle of May to pay his respects to the Emperor and to confer with the Premier, Admiral K. Okada, and other officials concerning celebration plans.

Among the projects considered by the Government-General to mark the occasion are the construction of a museum to be completed in three years at an estimated cost of Y. 100,000; the granting of awards to persons who have performed meritorious services; and the publication of the annals of the Japanese administration of Korea.

On October 1, designated "Chosen Day," lantern and flag processions will take place while special illustrated postcards and stamps will be issued and special cigarettes will be sold. Celebrations throughout the Peninsula will last for three days.—Rengo.

Film on teeth is dangerous

just look at film under the microscope



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2. A species of Streptococci Pyogenes.

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LHASA'S DIFFICULT PROBLEM

Result of the Panchan Lama's Absence Upon Dalai Lama's Selection

By TIBETAN

Tachienlu, Mar. 1. Mandville, the young American from Los Angeles, has now become one of the subjects for matriculation in the public schools in Tachienlu. The last few days have been very busy in the school life of this cordial city. Two hundred and sixty boys and girls put down their names for forty vacancies in one of the government schools established by Nanking. The entrance examination was both written and oral. The oral subject being as follows: Two young Americans came to Tachienlu last year. Amongst other things and other adventures they decided to construct a boat that would connect Tachienlu with Shanghai. This boat, the first made in Tachienlu, had a wooden framework, and was covered with yak hide. (The word Nightmare was not easily found in the Chinese-English dictionary, so the name of the small craft passed unnoticed). As the water was very high in the river between Tachienlu and Waskow, the boat was carried by coolies to the latter place. From Waskow the boat was sailed on the Tung to Luting, where the party rested for a few days. Everything up to this point was very satisfactory and it looked as if the great port of Shanghai might be reached in a very short time. From Luting to Lenchu, no great obstacle was met with, but below Lenchu, owing to the very high nature of the river, the whole adventure was reconsidered, the expedition going on, while the adventure came to an end. At Lenchu, so the matriculation test asserted, the two Americans decided to carry their boat over the mountains to Yachow. This, however, presented insuperable difficulties, involving considerable expense, and a certain amount of uncertainty, so to avoid further delay, The Nightmares, or parts of it, started out alone for the city by the sea. The coolie difficulty was given as the main reason for parting with this good old friend. The Lenchu coolies decided that boats were made for rivers, and that carrying the Nightmare up and down a ten thousand feet high mountain, seemed ridiculous, to say the least. So the two young Americans, to forget their horrid Nightmare, ascended the Buddha's Ear, and threw it in the Tung.

Mysterious Emissaries

Sometimes the names in the oral test were disguised, but no one could mistake Mandville in his very short shorts. Forty bright young scholars have successfully passed the oral test, thanks to the vivid impression left on their young minds by the adventure of the two young Americans from Shanghai. The oral test was only one among a number of others, but the Nightmare episode was one which stood out in the young Chinese mind as something really outstanding, and when Chinese boys stories come to be written, this one will no doubt find a place.

Some days ago two very important Tibetan officials arrived in Tachienlu. That they were high officials every one seemed to know, but who they really were remained a mystery. With a following of nineteen drabs and servants they took up their residence in the Panchan Lama's headquarters. Some days later it transpired that the two Tibetan officials were visiting all the lamaseries and religious houses in Kham and laying before the abbots and lamas and priests in Eastern Tibet the difficulty confronting the present Lhasa government. One of the officials was formerly in the Tibetan army; the other was a Tibetan magistrate in Goo-jo in Kham.

The problem before the Lhasa authorities threatens the very foundation of the land of the lamas, and apparently even a plan of accommodation is difficult to find. And so to seek and secure the help of powers higher than themselves the Tibetan Government has sent out delegates north, south, east and west, to call the lamas in lamaland to prayer and worship, and thereby find, if possible, a solution for their present dilemma. Not only are the representatives of Lhasa at present traveling all over the Roof of the World seeking help by prayer, but they are also authorized to discuss the present impasse and return their findings to the sacred capital. Their mission is exceedingly difficult and calls for and demands the wisdom of the serpent and the harmlessness of the dove. To discuss any situation or problem with a superstitious nomad or a dark, red robed ignorant lama, calls for infinite patience and careful study, and the difficulty is, neither the lama nor the nomad will stay "put" once the dilemma has been solved and explained. Anyone with any knowledge of the Tibetan nomad will realize what a psychological problem he presents. The nucleus in the Tibetan nomadic protoplasm probably moves with more jerks than it does in any other living cell, and this may be

accounted for by the enormous amount of hard, rancid, evil smelling yak butter he consumes, and the appalling number of cups of butter-tea he drinks; or they may be other causes, probably the rarified air he is forced to live on, or the frisky disposition of his naughty yak.

Commission of Inquiry

When Shaja Tuba envisaged Lamaism he undoubtedly saw the nomad in his vision, and a small cell, ten thousand of them, rose before him in his dream of world religious dominion. When the nomad becomes a lama and the lamas become a lamasery and the lamaseries become the land of the lamas, there is still great difficulty in controlling the nomad's inheritance. And so the two high Tibetan dignitaries are visiting hundreds of lamaseries throughout Kham and interviewing thousands of nomadic lamas on the pertinent question of the future Dalai Lama. The situation is something like this: Rin-bo-che, Dalai Lama number thirteen, died in December 1933, and simultaneously, the wisdom, intelligence, inhibitions, knowledge and experience, his own, and the twelve previous Dalai Lama's, was reincarnated in some known child, somewhere in the land of the lamas. In December 1934 the Coming Reincarnation was still somewhere in oblivion on the Roof of the World. In lamaland there are many incarnations who claim a monopoly in the art of prophecy and who can tell just exactly where the coming Dalai will appear and when, and among their number are five outstanding lamas. Nchong Chochong, a well-known temple near the large Drebung lamasery, is never known to have made a mistake in its selection of a Dalai Lama, and on one occasion when five "probable starters" put in an appearance, Chochong was called on to decide. The difficulty, however, is not the future Dalai, as he could be found to-morrow, if necessary. The test is so terrible and so severe that there is little room left for a misadventure. The coming Dalai must show evidence of eighty perfections and thirty-two marks of reincarnation; moreover he must recognize, though only a very small child, his future treasurer, and the bell and bowl and paraphernalia used by Dalai Lama number thirteen; and there must, if he is genuine reincarnation, be no mistake.

The Real Problem

The problem, however, is something like this: With the Panchan Lama the spiritual head of lamaland, absent from Tibet, it is possible to go on with the ceremonies connected with the selecting of Dalai Lama number fourteen? The Panchan is the father, the Dalai is the son; the Panchan is the teacher, the Dalai is the pupil; under these circumstances, therefore, can anything be accomplished while the father and teacher and spiritual head of the land of the lamas remains a stranger to his own country. Precedent has been established which is as follows: The Amban, or Chinese Ambassador to Tibet, has always taken an important position in the selecting the next Dalai; at present there is no Chinese Amban in Lhasa. The Panchan, more than the Amban, has had influence in determining the future Rin-bo-che. Both the Amban and the Panchan are persona non grata at the present time by a small but influential party in the sacred capital, and this party is determined to gain influence and power in the way it can, by controlling and "engineering" the selection and election of Dalai number fourteen; thus instituting "Tammany Control" on the Roof of the World. It is all very simple, but absolutely ruinous, to the future happiness and well-being of the land of the lamas. The young party want power and the way to get it is to select and control the future Dalai Lama. The whole future of the Hermit land is passing through a critical and crucial period, and its salvation may only lie in maintaining the status quo.

A Possible Solution

However, the solution may be something like this: The status quo is one thing to one generation and something quite different to another; but in Tibet, the land of eternal snows, it has a strong tendency to remain. Drebung is undoubtedly the greatest and largest religious institution in the Forbidden Land. Its lama roll numbers 7,700 priests, but at present, for some reason or other, it houses some 10,000 lamas, drabs, and scholars. Drebung is therefore, the key to the situation and the problem. Drebung is pro-Chinese, as its 10,000 inmates come very largely, if not entirely, from the country lying between China and Tibet. The institution is enormously wealthy, its numerous abbots being men of tremendous influence, its chief abbot probably being more powerful than the Dalai Lama. Nature

DUST STORMS AT SUTSIEN

Sand All the Way from the Gobi Desert

FROM OUR OWN CORRESPONDENT

Sutsien, Ku., Mar. 21. An unusual conference has recently been held here, continuing for one week. Each day, two preaching services were conducted by Rev. Chao Shih-kuang, of the Alliance Mission in Shanghai. The handsome church building, with balcony seats on three sides, ordinarily accommodates about 1,000 persons. During the recent conference, the building was always crowded, sometimes men and women were standing in the doorways, while others climbed on benches outside the windows, to look and listen. The largest attendance was estimated at about 1,200.

At other services, the men and women met separately, for special classes or lectures. Rev. Robert Gillies, of Tientsin, Shantung, and Miss Sophie Graham, of Haichow, took part with the local missionaries in leading these meetings. The large audience included delegations from 57 outstations; a total of 530 men and 280 women coming from points outside of Sutsien City. In addition to these numbers, 170 men and 88 women in the city registered as delegates, making a total of 1,068, besides the pupils of three mission schools in the city.

All addresses were heard very attentively, and at the close of the conference, several hundred persons publicly expressed special interest. On yesterday afternoon, March 20, snow began falling in huge flakes, and continued to fall more or less steadily for some hours. It melted so quickly that the ground was not entirely white, though for a time it was pretty well covered. Ice was seen here this morning, rather late in the season for it. For several days past, the air in this district has been rather heavily laden with infinitesimally fine sand or dust. This condition seems quite independent of local dust storms and rains. The sand probably came from the Gobi Desert, carried in the higher layers of the atmosphere, above the rain and snow clouds. Now the sand is gradually settling down through the lower layers to the ground. At times the air is so thick that it almost entirely hides the sun.

BORNEO AERODROME SELECTED

Singapore, Mar. 27.

Sites for six new aerodromes have been selected in Borneo for the purpose of the projected air route between Singapore, Borneo, the Philippines and Hongkong.

The aerodromes will be at Kuching, Borneo, Bintulu, and Miri, in Sarawak, and Jesselton and Kudat, in British North Borneo.

They may serve as a final link in the Pacific air service planned by America via Honolulu, Wake Island, Tokyo and Shanghai.

Colonel Turner, Director of Works in the British Air Ministry, returned to Singapore to-day and said he fully approves of the new sites.—Reuter.

ally, therefore, any question agitating lamaland must abide the decision of his leading and powerful institution. Sera has 5,500 lamas and drabs and Gaden has 3,300, both institutions being subordinate to the populous Drebung. Again, Eastern Tibet is the most populous part of the Forbidden Land, being in possession of such large lamaseries as Litang and Kanze, both institutions having a lama roll call of 3,000 priests; and besides these there are other large lamaseries scattered through out Kham. What, then, is the attitude of Drebung and the hundreds of lamaseries in Eastern Tibet to the present impasse? Undoubtedly they await the return of the Panchan Lama from China; undoubtedly they wish to maintain the status quo; undoubtedly of the temporal to the spiritual; undoubtedly they demand that the young party mind its own business, and leave the hierarchy, with its centre, not at the Potala, but at Drebung. The young party in Lhasa, like Rehobam's young men, are inclined to ride, not only wild, but high horses, forgetting the peculiar effects of rarified air. They want a baby reincarnation who will kindly and patiently listen to their words, and repeat on the Roof of the World, Rehobam's madness and folly. Drebung, too, wants a baby reincarnation, but one that will maintain the spiritual law in the natural world. This briefly, is the situation and problem agitating a land so peaceful and restful and tranquil; and this is the object of the visit of the two Tibetan officials to Eastern Tibet, namely, to advise its lama population to abide by the status quo. Central Asia may be cold and snowy and windy but at the present moment it is generating enough heat to produce sparks.

OLD CUSTOMS DIE HARD

Footbinding Continues in Shantung

FROM OUR OWN CORRESPONDENT

Chowtsun, Mar. 22. In travelling about the country a few men are still met with wearing their queues, but it is unusual for such to also wear a very unattractive expression. Some changes in local government are taking place such as the abolition of the district offices, the duties of the civil servants being now transferred to the hsing changs headmen of small groups of villages, or sometimes of only one large village. In one county where I frequently visit the local educational authorities have supplied charts and simple directions on hygiene to the village schools. One of these advises a weekly bath.

In connection with the anti-narcotic drive, many of the city gates have vividly painted scenes of the bad effect of opium and drug-taking portrayed high up on the walls adjoining them. All are invited to gaze on them, and be duly warned.

A Difficult Campaign

The women anti-footbinding inspectors engaged by the country magistrats go their rounds followed by the police. On the second visit fines are inflicted if feet still remain bound. One woman said: "Is this really going to hing-kai?" i.e. to "become general," or is it only going to be a flash in the pan, and the old custom be reverted to again after awhile. In Shantung where the restoration of the Confucian Temples at Chufu is in process, and where quite a few old style Confucian schools are creeping back again, much to the delight of the old time classical scholars, it is a bit confusing to the ordinary person who wonders how many of the changes and reforms he must take seriously.

Country women are mostly afraid that, if their girls' feet are unbound, it won't be easy to find them husbands, or what is the really important thing to them—mothers-in-law.

I was told of a case of an engaged girl of fifteen whose feet had not been bound, but whose future mother-in-law on hearing this fact had refused to have this girl for her son unless her feet were bound. I was told that the girl's mother against her own better judgment was nevertheless unable to resist the pressure brought on her so she put the pressure on her daughter to bound up her feet.

The Chinese proverb Kua pu ti chung, i.e., "the few cannot oppose the many" has many sad illustrations in daily life.

Memory of the War

Apricot trees are all out in blossom, and trees and buds are bursting into life much earlier than usual owing to the mild winter. Rain will soon be wanted. Returning the day after the anniversary of Dr. Sun Yat-sen's death, I noticed that many of the slogans put up the day before had been torn down by the wind or by hand. I ran into a man who had been in the Chinese Labour Corps and he started saying A.B.C. and mentioned half a dozen places in France. A number of others soon gathered round but it was late, and by the help of the friendly moon I made my way across the narrow paths through a number of wheat fields till finally "the little grey house in the west" once more came in sight.

N. E. C. AND SARATSI IRRIGATION

Non-participation on Advice of League Experts

Nanking, Mar. 25.

The National Economic Council to-day issued a statement to the following effect:—

Some comment having been aroused by its decision not to participate further in the irrigation work at Saratsi, Suiyuan province, the National Economic Council wishes to make plain the reasons by which it has been guided. Reviewing the history of the project, the statement says the practical results were at first disappointing.

The N. E. C. sought the opinion of the engineering committee of the League of Nations which, as part of the programme of technical co-operation between China and the League, was in China to advise on hydraulic and communications problems.

The decision which has now been taken is based on the study and unanimous recommendation of these experts, acting in an entirely impartial capacity, the statement concludes. The final report, giving full technical details of their findings, will be published on their return to Geneva, probably some time during the summer.—Kuo Min.

A COOL SPELL AT TAICHOW

Strawberry Blossom Under Snow

FROM OUR OWN CORRESPONDENT

Taichow, Ku., Mar. 21. The district around Taichow was cooled off yesterday by a strong north wind which began to blow on March 19 and kept it up on the 20th. The very mild spring weather which had caused the fruit trees to bloom and the strawberries to blossom ahead of time was interrupted by this wind in a very rude manner.

It seems, however, that the wind alone was not enough for during the early morning of March 21 this section received a very decided fall of snow. At 7 a.m. the snow was about two inches deep. The earth was too warm for the snow and it melted rapidly. This snow reminds one that, on March 27, 1934, Taichow also enjoyed a snow. The wisecracks who always are ready to narrate incidences of unusual weather in the past have it all their own way to-day. Spring may be in the air and the snail may be on the thorn and all that, but keep your garden seed in their little wrappers until April if you do not wish to plant but once.

The North Kiangsu Mission is due to meet in Taichow in May. Two years ago the Taichow Mission Station had the pleasure of entertaining this distinguished body and the pleasure is to be repeated. It may be that the Mission's decision to hold another meeting in Taichow was because in 1933 the strawberries were ripe in May. The present crop may now go by the board since blossoms and plants have all been buried under the snow.

Curring Opium Addicts

At Kowan, distant 15 miles from Taichow, a very enthusiastic demonstration was put on by the Li Men-huei, an organization which stands for purity of life, for abstinence from the use of opium, wine, etc., on March 19.

All through Taichow county the interest in the matter of opium smoking continues unabated. The local magistrate and the police are gathering in the smokers and putting them through the cures by the hundreds. The County Hospital has opium smokers crowded in like peas in a pod and in addition several other large buildings are also filled with those who are endeavouring to get into good standing with a government that has determined to rid the country of those who indulge in the opium habit and also to keep opium out of the country.

Some weeks ago Taichow Christians enjoyed very much a series of sermons by Rev. Tsao Si-kuang of Shanghai. Mr. Tsao is an interesting speaker and the people of Taichow were helped and uplifted by the messages he brought them.

FORCED LANDING AT MIRS BAY

Hongkong, Mar. 26.

Flying-Officer G.A.V. Knyvet was forced down at Mirs Bay, the notorious pirate lair, this afternoon while engaged in reconnaissance work. It is believed that he is not injured.

A destroyer and a naval tug is proceeding to his assistance.—Reuter.

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AMERICAN RULE
PRAISED

Philippines Independence
Said Settled

Washington, Mar. 28.
Testifying before the House of Representatives Committee, on Insular Affairs to-day, Mr. Frank Murphy, Governor-General of the Philippines, and Senator Manuel Quezon declared that the question of the independence of the Philippines was definitely settled when President Roosevelt certified the constitution.

"Independence has caused wonderment in some quarters as to the attitude of the Filipinos to the United States," the Governor-General declared. "While the Filipinos unanimously favour independence, as much cordiality and good-will exists as is possible between two peoples."

"Progress in the Philippines has been due to the United States policies and the perfect co-operation of the Filipino leaders. The most serious problem now is economic. The new Filipino officials will be charged with keeping expenditures within their income. They will be subjected to vigorous popular clamour, and they will be forced to show considerable resistance."

Two Policies Suggested

"Another enormous problem," Mr. Murphy continued, "is that of national defence. It will place a severe strain upon the financial structure of the Philippines."

"I suggest two policies:—

"Firstly, that Congress do nothing inconsistent with Tydings-McDuffie bill and adopt no piecemeal legislation violating the act.

"Secondly, that no discriminatory legislation be enacted."

"I want our 36 years in the Philippines not to be a passing incident but an imperishable monument."

In his speech, Mr. Quezon, who is president of the Philippines Legislature, who is prominently mentioned as first President of the Philippines Commonwealth, recalled the numerous times he had pleaded for independence in the same committee room.

"Our attitude regarding independence did not mean that we were dissatisfied with the United States Government of the Philippines," the Filipino leader declared. "No country in history has treated a people as justly or as generously as the United States has treated the Philippines."

Mr. Quezon's Hopes

"The Tydings-McDuffie bill definitely settled the question of independence, but I hope that the dissolution of the political ties does not mean that cultural and trade ties will disappear."

"If you continue to sell to us, we must have the opportunity to sell to you. I hope that, pending the establishment of independence, such legislation that Congress enacts will not be in violation of the law. The cocoa tax is not in direct violation, but indirectly it does violate the spirit of the law. I hope that the United States will soon right this injustice. There is another very bad bill before the committee."

Senator Quezon referred indirectly to the limitation on cordage. He also invited the Committee to Manila for the purpose of attending the inauguration of the Constitution.

Senator Roxas also spoke, reiterating the expression of Filipino gratitude. The Committee postponed consideration of the cordage bill until Friday to permit the members to give further consideration to it.—United Press.

MAHJONGG BRANDED AS
GAMBLING

Tokyo, Mar. 28.
Japan's mahjongg enthusiasts were given a cold douche to-day, when the Supreme Court ruled that the game, played for stakes, constituted gambling, and was, therefore, a punishable offence.

The judgment reversed the ruling of a district court, which held it that mahjongg was an innocent pastime.

In accordance with the judgment of the Supreme Court, four prominent, but unidentified, residents of Kochi Prefecture, Shikoku Island, were fined amounts varying between ¥20 and ¥150.—Rengo.

DR. HEDIN'S DEPARTURE
POSTPONED

Peiping, Mar. 28.
Dr. Sven Hedin, the Swedish explorer, did not leave Peiping for Sweden yesterday as he had arranged. Business reason are delaying him and his departure has been postponed for a few days. Just back from a trip to Sinkiang Dr. Hedin is returning to his native land after an absence of over three years.—Reuter.

BRITISH OFFICERS IN
CHINA

Hardships Suffered Owing to
Rise in Dollar Value

London, Mar. 28.
The attention of the House of Commons to the hardships suffered by British officers stationed in Tientsin and other stations in China owing to the rise in the value of the dollar, was called to-day by Sir William Dawson, Conservative member for the South division of Kensington.

Replying for the Government, Mr. Douglas Hewitt Hacking, Financial Secretary to the War Office, declared that the rates of exchange and their effect on the cost of living for officers who were paid in sterling are under constant observation. Allowances for British officers at all three stations in China and the rates of exchange, he added, were being reviewed with effect from April 1.—Reuter.

CHANGSHA NOTES

FROM OUR OWN CORRESPONDENT

Changsha, Mar. 26.
The Fuh Siang Girls' School gave a recent play in their large gymnasium. There were four distinct parts. The first was an Ibsen Play, "The Doll's House", which characterized Modern Drama.

The second was a Chinese play depicting Ancient Drama. It was entitled, "The Chamber Maid". The elaborate costumes in this play were very well planned and were exquisite both in style and choice of colours.

The third part was the dramatization of an Ancient Chinese Fairy tale, "The Wild Swan". In this the wayward brothers of the story mysteriously changed into graceful swans, and at the end of the story, at the call of their sister, were unfathomably transformed into brothers.

The fourth and last act was a Skeleton Dance. The dancers were all dressed in long black gowns, and white stripes, to represent bones, were painted on the out side of their costumes. This dance was something of a "clog dance" in heavy soled shoes, and was given with the lights were very dim, so that only the painted "bones" were visible. This with the noise of the heavy soles made one think it was the rattle of the bones, hence the name of Skeleton Dance.

This entertainment was given for the benefit of the Fuh Siang School. Miss Gertrude Bayless and Miss Marjorie Tooker, of the Music Department of the School, had charge of the plays.

Changsha is enduring an epidemic of meningitis at present. The Government issued an order for all Primary Schools in the city to close for a week. Some of them have reopened now, but each student is supplied with a mask of sterile gauze which he must wear over his nose and mouth.

The statistics as to the number of cases and rate of mortality are hard to obtain, because the number is ever changing from hour to hour. Of fourteen cases which came into one of the Hospitals within two days, eight were fatal.

It seems that the larger percentage of the cases are coming from the South Gate section of the city. So far there have been no cases reported among the foreign population. However Dr. Herr's son had very marked symptoms of the disease, so a lumbar puncture was performed to ascertain positively. After which test was made, it proved that the child did not have meningitis.

Dr. Herr is the house physician in the Hudson Taylor Memorial Hospital, while Dr. F. Eitel is on leave.

H.M.S. Gnat, has replaced H.M.S. Sandpiper, which was in this port all winter.

Captain Sharp of the Gnat and his wife, who recently arrived from England, are living on the Island, while the ship is in Changsha. Mrs. Sharp flew here to join her husband.

BANDIT GANGS WORRYING
DEMILITARIZED ZONE

Peiping, Mar. 29.
Martial law has been declared in Tungchow, Sanho, and Chihnsien for the purpose of preventing armed stragglers from entering these districts. Two bands of stragglers are now roaming in the demilitarized zone north of Peiping. One band is composed of militia recently dislodged from Yauhungchiao by the special police at Yutien and another band is made up of the mutineers under Feng Shou-peng. These men recently tried to enter Jehol from Kuepikow, but, finding their way barred by the Japanese, they were compelled to flee southward.—Reuter.

PROGRESS MADE IN
NORTH KIANGSU

Aid Wanted in Making New
Roads

FROM OUR OWN CORRESPONDENT

Sichowfu, Ki., Mar. 15.
Road building is going on apace in this section. The main highways connecting this city with neighbouring hsien cities are being repaired as usual at this time of the year, and some new roads are being built. Unfortunately it is all old style road work, just as it has been for centuries, only on a more extensive scale. Bridges are elevated high above the roadway, and the road bed in places of being crowned is often concave.

If the National Economic Council could send a practical road man here for even a short time to advise the local authorities, who are anxious to do the right thing but do not know how, far better roads could be built for less money than is now being spent on makeshift thoroughfares.

Old drainage canals are being deepened in many places. The recent row along the Anhwei border between two hsien is being patched up. Local authorities from both sides of the dispute were summoned to report to this city for a conference. Three peasants were killed and five wounded in the skirmish as reported in these columns.

The Useful Telephone

It is the telephone, however, which is making the greatest change in the country. Thirty large market towns are already connected with this city and 40 more will soon have telephone connections. This improvement in communications greatly lessens the bandit menace. This whole section is enjoying better law and order than we have known for years. When bandits attempted a kidnapping recently the country side was at once notified, and soldiers arrived promptly and frustrated the attempt.

Streets here are being repaved and one new road is being opened from the congested city to the railway station, crossing the old bed of the Yellow River.

It is believed that our energetic young magistrate is anxious to put in many more improvements, but the politicians and the military are against him.

This magistrate, Mr. Wang Kong-yu, came here from a neighbouring hsien city recently, where he had accomplished marvels in the way of putting down bandits. His fame travelled far and wide and so this city was able to call him. Mr. Wang is well educated, speaks English fluently and is certainly very efficient. He is regarded as the ablest official this city has had in a generation. He is very democratic, lives simply and economically and has broken many precedents. He certainly is working for the good of the people as a whole.

BRITAIN REJECTS
TOKYO NOTE

Disinclination to Recognize
Manchuria

London, Mar. 28.
It is understood that the Foreign Office, having received the Japanese Note regarding the establishment of Manchoukuo's oil monopoly, has rejected it.

It is reliably stated that the note's assertion, that the promise of maintaining the "open door" in Manchuria does not apply to nations who fail to recognize the puppet regime, will not affect Great Britain's disinclination to grant such recognition to Manchoukuo.

Meanwhile, semi-official circles are waiting to learn what reaction will arise in the United States from the receipt of Japan's note to the American Government upon the same question. The American note is expected to be delivered in Washington within a few days.—United Press.

London, Mar. 28.
A spokesman for the Government stated that, at present, Britain will send no new note to Japan concerning the Manchoukuo oil monopoly, since conversations on this subject are now being carried on by the oil companies and the Japanese Government.—Havas.

RECORD AEROPLANE TRIP
SHANGHAI-CHUNGKING

Chungking, Mar. 26.
The new tri-motor Ford aeroplane of the China National Aviation Corporation landed here yesterday afternoon from Shanghai, after completing the distance of 1,742 kilometres in the record time of 7 hr. 59 min. The plane left Shanghai at 7.50 a.m. and arrived at Hankow at 11.30. After an hour's interval, the plane proceeded westwards and landed here at 4.40 p.m.—Kuo Min.

SOOCHOW-SHANGHAI
ROAD

Considerable Progress Now
Being Made

FROM OUR OWN CORRESPONDENT

Soochow, Mar. 26.
Recently my duties carried me in to the territory around Quinsan and Taichang. The first thing to attract attention was the progress that has been made toward the completion of the new roads from Soochow and Shanghai. The road started by the Nineteenth Route Army and partially built, but which was given up when hostilities ceased, is now being widened and new bridges put in. They have started this work near Soochow and are working along the line as far as Quinsan. This is providing work for a number of unemployed. The section between Quinsan and Taichang has not been started yet, but the road from Shanghai via Taichang to Dzsang Zok is nearing completion.

This latter mentioned road appears to be well built. The bridges are made of good material and they have been built with permanency in mind. One is glad to see that so much care is going into the road construction. The report is out that this road can be opened about the latter part of April. The section from Dzsang Zok will also be ready at about the same time.

When Wangching, a village beyond Taichang, was reached I learned that the country people had joined in a project to deepen one of the canals leading from the Yangtze. This was not to come direct to Wangching but to a village close by. This was a co-operative scheme and was to be nearly four miles long. The canal was being deepened to a depth of four and a half feet deeper.

Crops are not promising as the winter has been too dry and the beans have been hardest hit. The last flurry of snow and freeze did much harm to peach trees and other blooms that had been teased forth by the balmy days. The farmers though are doggedly working away and seeking to make the most of a hard situation.

MARINES REVIEWED BY
HO YING-CHING

Peiping, Mar. 25.
A new chapter was written in the history of Sino-American relations when General Ho Ying-ching, Chinese Minister of War and Chairman of the Peiping Branch Military Council, was honoured by a Dress Parade and All Arms Review and Inspection of the American Marine Detachment of the American Legation here. It was the first time in the history of the Legation Guard that such honours had been rendered to a Chinese officer.

During the Dress Parade, General Ho presented certificates of Graduation from the American Legation Guard Chinese Language School to four men of the Guard. The graduates were Corp. Perez W. Pott-weather, Corp. Nathan Falken, Corp. Edward P. Faulkner, and Pfc. Paul S. Marriott. Corp. Earl C. Tipton also was graduated in the same class but did not receive his certificate at the same time as he was in Shanghai with the Marine Guard basket ball team.—United Press.

AMERICAN CONSULAR
CHANGES

Peiping, Mar. 25.
Three American consular appointments in China have been announced. Mr. James B. Pilcher, vice-consul at Harbin, has been appointed a vice-consul in Shanghai.

Mr. John S. Littell, now consul in Mexico City, has been transferred to Shanghai with the same rank. Mr. Littell's connection with this country began some time ago for he was born in Wuchang.

In 1928 he was a language officer at the Legation in Peiping and afterwards served as a vice-consul in Tientsin. He later held consular appointments in Nanking and Hankow.

Mr. W. Leonard Parker, now a vice-consul in Lyons, France, has been transferred to a similar post in Canton.—Reuter.

MONK'S FAST TO SAVE
TEMPLE

Chinese Generals in North
Reward Persistence

Peiping, Mar. 29.

A 21 days' fast has won a Chinese monk from Jehol a pledge of \$6,000 by two local military leaders, according to reports from Chinese sources.

Early this month a man, about 70 years old, arrived here from Jehol. He said he was the abbot of the Shan Ling Buddhist Temple and that he had come to raise money for repairs to the temple.

The monk first visited the Pai Yun Kwan Monastery and paid his homage before the presiding divinity of that establishment. Then he shook a cylinder containing sticks on which are inscribed Chinese characters. A stick was thrown out, which contained inscriptions to the effect that if the monk wanted to raise money he must confine his attention to the southern part of the city.

He shook the cylinder again and the stick that came out again had a reference to the south. The process was repeated and for the third time the character "south" appeared on the stick that was shaken out of the cylinder.

Next day the monk went to Nanyuan and sat down in the centre of the flying field. Those in charge of the aerodrome tried to drive him away but he refused, saying that he would not leave nor would he take anything until he had secured sufficient funds to repair his temple in Jehol. For three weeks he fasted.

The news of this reached the ears of General Wang Shu-chang, Garrison Commander of the Peiping and Tientsin area, and General Fao Yulin, a member of the Peiping Branch Military Council, who visited him at Nanyuan, promised him to raise a sum of \$6,000 for his temple and asked him to end his fast.

The monk agreed but so weak had he become that he had to be carried by motor car to an inn nearby. He is now reported to be making satisfactory progress.—Reuter.

TOKYO UNDER SNOW IN
SPRING

Tokyo, Apr. 1.
Three centimetres of snow greeted the city of Tokyo and its vicinity as they arose this morning.

Asked for the scientific reason for this abnormal weather, a Meteorological Bureau official dismissed it as a "mistake." "It would have rained under normal circumstances but it just happened to turn to snow," he said.

This is the first time that snow has been seen on the ground here in any April since 1892, when a fall was recorded on April 10.—Rengo.

JAPAN'S KINGLY WAY
PHILOSOPHY

Chengchun, Mar. 26.
Major-Gen. Kenji Doihara, who recently completed a forty-day tour of China, is leaving for Tokyo tomorrow to report to the Army General Staff on his observations. In commenting on Sino-Japanese relations, he confirmed reports that the Nanking Government has changed its attitude towards Japan, but warned against any hasty conclusions.

"It is too early to believe in China's sincerity," Gen. Doihara said. "We can believe that a change has taken place only when we make sure that it is not a mere political expedient, and that China really is ready to rectify her past behaviour."

He added that he was pleasantly surprised to find very many Chinese who appreciated the meaning of the "Huangtao," or the "Kingly Way" philosophy of Japan.—Rengo.

A LONG-DISTANCE telephone will be opened between Nanking and Tientsin early next year, according to information from communications circles. The Tientsin-Tsinan section of the service is expected to be opened about July 25 this year.

RAZON'S

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English Poplin	\$4.50
Broadcloth	6.50
Heavy Fuji Silk	5.00
Striped Silk	9.00

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SHANGHAI NEWS

STRATOSPHERE WAR ON GERMS

Dr. J. O. La Gorce Explains Novel Scientific Theory:
Noted Geographer's Visit to Shanghai

Interviewed on Tuesday, Mar. 28, on his arrival in Shanghai from New York, via Suez, in the ss. Andre Lebou, Dr. John Oliver La Gorce, Editor of the "National Geographic Magazine" and Vice-President of the National Geographic Society, had little to say about himself, but insistently referred to his principle. Dr. La Gorce has made this trip to secure the latest impressions of the Far East and Near East. Dr. La Gorce is a life trustee of the National Geographic Society, a Fellow of the Royal Geographic Society (England), an honorary member of similar organizations in Peru and the Argentine, and travels on a diplomatic passport. The Society is supporting a stratosphere flight which will take place in June, when it is hoped the balloon will attain a height of 80,000 ft.

Dr. La Gorce emphasized that these are not "stunt" flights—they were seeking scientific knowledge and information regarding the cosmic ray, and making other investigations which would prove, as they hoped, of high value to the profession. By way of example, he indicated the hurried spread of influenza. This disease might appear on either coast, and, faster than an express train service, would appear on the other coast, without rhyme or reason. In their opinion epidemic diseases might be spread by germs through the stratosphere. In the proposed flight they would make intensive experiments regarding their locale and their possible spread. Were the crew successful in locating such, and other epidemic germs, while in

transit, they would be doing medical science a great favour, inasmuch as steps could be taken, by the latest preventive means, to obstruct such passage, or eventually, combat them at the other end.

Society's Objectives

School-day geography consisted in the past of hide-bound methods of presenting isolated facts, hardly with comprehensive relation to each other. The Society was formed in 1888 by Alexander Graham Bell, having in mind purely technical aspects. There was a distinct need for interpretative geography, which included the ramifications of earth, air, sky, and flora and fauna. With this in view the charter was reconstructed to include lay members, and a supplementary publication, the "National Geographic Magazine," was published. Through the efforts of its sponsors the circulation was spread over the entire globe. Inasmuch as the Society decided to include interested laymen, the policy was changed in re-incorporation to include the associate members, constituting the subscription list. Now the 1,000,000 members of the Society are able, with their fee of \$3 per annum, to support the activities of the Society.

Dr. La Gorce said it was a matter of pride to him that India, with 1,700



"N.-C. Herald" Photo.
Dr. John La Gorce

SHANGHAI'S FIRST
MASS MARRIAGE

56 Couples to Be United at
Civic Centre

Old and new customs and ceremonies pertaining to marriage in China will be greatly simplified to-day when the first mass marriage in which 56 couples will take part, will be solemnized in the City Government building, Civic Centre, Kiangwan, with Gen. Wu Tscheng, Mayor of Shanghai, and Mr. Wu Hsin-ya, Commissioner of the Bureau of Social Affairs, officiating.

According to arrangements made by the Bureau of Social Affairs, sponsors of this event which is in keeping with the New Life Movement all elaborate details will be abolished and even the exchange of rings will not take place. The whole ceremony will consist of the Mayor's address, presentation of certificates and souvenir by the City Government, and eight bows.

When the master of ceremonies calls out the names of a couple, the bride and groom will advance together on to the platform where the Mayor and the Commissioner will be. The couple will first bow three times to the Kuomintang and national flags and the portrait of the late Dr. Sun Yat-sen, then facing each other will bow another three times. Turning again to the Mayor and Commissioner, they will bow once, then receive the marriage certificate and a silver souvenir, bow again and retire with the bride holding the groom's arm.

After every couple has thus been united, the Mayor will address them on the new marriage ceremony which is aimed at standardizing all old and new customs and wishing them happiness in their marriage. A group picture will then be taken in front of the building.

The grooms will wear Chinese long gowns and jackets and the brides Chinese dresses with wedding veil, all of which will be made and hired out by the Mayor's silk mill, a Chinese concern. Each bride will carry a bouquet, but the groom will have no bouton-hole, only a ribbon loaned by the City Government. There will be no attendants and the marriage certificates will be signed and chopped five days before the ceremony. Photographs of the couple will be attached.

The Bureau of Social Affairs petitioned the City Government to inaugurate the mass wedding ceremony in December last year and received permission in January. During February, names of those desiring to participate were registered and the names published earlier this month. Only those with admission tickets are allowed to witness the ceremony.

members, and China, with 900, were vital factors in bringing the geography of the world to the international population in its exploration, adventure, and romantic form, so that the drudgery of geography study has been eliminated.

Dr. and Mrs. La Gorce, with whom are travelling Mr. and Mrs. Gene Tunney, will stay here three days, and, after a tour of the North and Japan, will return to New York at the end of April.

SUFFOLK TO CARRY
ART TREASURES

British Recognition of
China's Generosity

London, Mar. 30.

When the cruiser Suffolk leaves Far Eastern waters for Portsmouth in the middle of June on a paying-off voyage, she will have aboard the precious Chinese art treasures which are being sent to England for exhibition at Burlington House.

The British Government has authorized this in recognition of the generosity of the Chinese authorities in committing the treasures for the long voyage, with the attendant dangers, not the least of which would be the risk of piracy.

The despatch of the treasures aboard the Suffolk will also save the heavy insurance to which the organizers of the exhibition would be liable if the treasures were entrusted to an unarmoured cargo boat for shipment—Reuter.

Local Exhibition

Mr. G. Eumorphopoulos, who is at present in Shanghai arranging for the exhibition of the Peiping Palace treasures, told a representative of the "North-China Herald" this week that the exhibition in Shanghai, which is to be held in the old Bank of China building on The Bund, formerly the German Club, would be open to the public in all probability, on April 8.

RHODA CUNNINGHAM MEMORIAL HALL DEDICATED



A group picture after the dedication ceremony of the Rhoda Cunningham Memorial Hall for tubercular children of the Ching Chung Memorial Hospital Kiangwan on Saturday. Mrs. Milton J. Helmick, who performed the ceremony, is seen in the centre of the picture, with Dr. F. C. Yen, superintendent of the Hospital.

MRS. CUNNINGHAM'S MEMORIAL

Children's Tubercular Hospital at Kiangwan:
Glowing Tributes Paid by Chinese Friends

The esteem and affection in which the late Mrs. Edwin S. Cunningham was held was in evidence at an international gathering in the Ching Chung Memorial Hospital, Kiangwan, on the occasion of the dedication of the Rhoda Cunningham Memorial Hall which was erected for the treatment of tubercular children by the National Child Welfare Association of China in co-operation with Dr. F. C. Yen, superintendent of the hospital, as a token of appreciation of her valuable services for the welfare of children.

Mrs. Milton J. Helmick, wife of the Judge of the U.S. Court, for China, performed the ceremony of unveiling at the entrance of the hall. She then opened the doors with a key which was handed over to Dr. Yen with a rose-coloured silk festoon. Mr. Helmick decorated the late Mrs. Cunningham's portrait which is hung on a wall at the entrance, after which Mr. Jabin Hsu, Secretary-General of the Child Welfare Association, read the inscription on the tablet.

Located at one corner of a large Chinese garden, at a cost of \$14,000, the hall is a two-storey building with accommodation for 50 beds, all of which are at present occupied. It has also an X-ray room complete with equipment, and a room for guests. A teacher has been provided for those children whose condition permits them to take lessons.

Before the dedication ceremony, the guests were entertained to tea in the garden. Dr. F. C. Yen, who presided, welcomed the guests on behalf of Dr. H. H. Kung, President of the Association, who had been prevented from attending by business. He paid a high tribute to the late Mrs. Cunningham for her keen interest in welfare work for children.

The garden in which the Ching Chung Memorial Hospital stands was donated by Mr. T. V. Yih. It is proposed to erect a new building of four or five storeys with accommodation for 150 patients.

The tribute paid by Dr. Yen was joined in by Mr. Jabin Hsu, who gave a brief review of the erection of the hall, and expressed thanks on behalf of the Association for generous contributions received towards the construction funds. The total amount received was \$3,348.88, and it is hoped the funds will be increased by further subscriptions.

Dr. E. Gale, acknowledged on behalf of Mr. Edwin S. Cunningham his deepest gratitude and appreciation to Dr. H. H. Kung, the officers, the executive committee and members of the National Child Welfare Association of China and other friends for this expression of esteem and affection for his wife. He said that nothing could be more fitting than the dedication of this institution for the welfare of little children to the memory of one whose outstanding trait was the impulse to aid her fellow men and women.

The late Mrs. Rhoda Cunningham, wife of the Hon. E. S. Cunningham, American Consul-General at Shanghai, was born in London in 1886 and came to Shanghai with her husband in 1919. For fifteen years she made her contribution to the growth of this great city. Among her many activities of philanthropy was her keen interest in China's child welfare work. Her sudden death, which occurred on April 4, 1934, in Hangchow, was a great loss to the National Child Welfare Association of China, as well as to the whole community of Shanghai. In appreciating her valuable services rendered to the cause of child welfare, the Executive Committee, at its 63rd monthly meeting, under the chairmanship of Dr. H. H. Kung, decided to erect this hall in her memory for the treatment of children suffering from tuberculosis, in joint operation with Dr. F. C. Yen, Superintendent of the Kiangwan Ching Chung Memorial Hospital.

Of interest to all Shanghaianders who find delight in seeking out the interesting spots on the byways round about Shanghai, will be a talk on "Shanghai County Walks" by Mr. E. S. Wilkinson, author of the book by the same title which was published by the "North-China Daily News" in 1932.

AMERICAN FLAGSHIP
ARRIVES

U.S. Fleet Coming North for
Summer Training

Heralding the arrival of the U.S. Asiatic Fleet for their annual tour of training in northern waters, the U.S.S. Augusta, the flagship of Admiral F. E. Unham, tied up at buoys 13-14 on Sunday. The Augusta comes here after a tour of Australian waters, where she represented the American navy at the centenary celebrations in Melbourne. She will be here until April 30 when she will leave for a cruise which will include Japan, Tsingtao, and Chinwangtao.

Seven destroyers and the mother ship, the U.S.S. Black Hawk, will leave Manila about April 5, to arrive here on April 18, at Buys 26-30. The destroyers Perry, Pope, and Ford will not arrive until nine days later, the combined units leaving for Tsingtao on May 1.

Meanwhile the submarines, making a slower trip from Manila, are due here on April 25, with the mother ship, Canopus. They are only staying about nine or ten days before going north. The Pecos, an oil tanker, is expected about the same time.

The U.S. Transport Henderson will touch at Woosung on May 22 before proceeding to Chinwangtao. She will be carrying replacements for the Marine Corps. On June 6, she will begin her journey home.

The U.S.S. Oahu, from the local dock, will leave for up-river on April 6, to be replaced here by the Monacacy on April 15.

SHIP'S OFFICER DIES
OF POISON

Naval Surgeon Temporarily
Revives Dying Man

A day after he had been relieved as second officer on the ship, Mr. C. McPherson, aged 44, was found dying on Sunday morning in the ss. Erica Moller at McKenzie's Wharf, Pootung, and expired yesterday evening at the General Hospital, despite the heroic efforts of a Royal Navy surgeon to save his life. The ship sailed shortly before noon that day for Rangoon.

Mr. McPherson went on board the Erica Moller in the early hours of the morning. He had been known to be despondent, recently. A cabin boy found him, almost lifeless, on a couch in the saloon of the ship at about 6 o'clock and summoned the officer on duty. The officer realized that every second counted and despatched a motor boat to H.M.S. Adventure for medical assistance.

Surgeon Lieut.-Commander, Mr. A. Graham-Yooll and Sick Bay Petty Officer Fleming responded to the call after they had been routed out of bed. Dr. Graham-Yooll determined that Mr. McPherson had taken nearly three ounces of laudanum tincture and that his respiration and pulse were perilously weak. Strychnine and other restoratives were administered and the stomach was pumped out and antiseptics applied. After more than an hour's work, the patient revived somewhat and was put to bed; he was allowed to be removed to General Hospital by launch and ambulance shortly after 8 o'clock. He died there at 4.45 p.m.

TOURISTS FLOOD INTO SHANGHAI

Empress of Britain Brings Record Number of Notables and Sightseers on World Cruise

Scores of travellers flocked into Shanghai on Friday shortly after 9.30 a.m., when the first tenders from the flagship of the Canadian Pacific fleet, the Empress of Britain, arrived at the Customs Jetty to give them a brief but gala tour of the city. Lines of motor cars awaited all who chose to take advantage of the trips arranged through Chapel, the native city, to Jessfield Park, and back through the Settlement to the Cathay Hotel for tiffin.

Judging from the comments, Shanghai made an excellent impression on all who explored it. On every hand there were heard re-

out lots of things, but they cannot do without insurance."

Mr. Taylor declared that Ceylon was, in his opinion, the best spot in his trip. He and his wife had lingered there for six weeks, joining the Empress when it arrived in that port.

Mrs. Kitty Manners Vallance was most amiable, and most enthusiastic, too, regarding her trip. A cousin of Lady Diana Duff-Cooper, and sister of Major Walter Sussan, the Canadian airman who flew in China a few years ago, she told of acting for the films.

"It is not work to me," she confided, "even though it means long hours—longer hours than those kept by a shop girl." Rapidly she described her recent film, which took her to Haiti where she worked with a native cast. Like many of the world's famous people, she admitted that fame was no easy road, but expressed satisfaction in her chosen sphere. "Acting is not acting to me," she smiled, "because I live my roles, and it is all so natural that it never takes analysis." Still, Mrs. Vallance, who is best known around the world as Kitty Manners, insisted on keeping herself and her own personality inviolable. Off the screen, she is Kitty Manners, but before a camera—she is her part.

A Market for Bicycles

Sir Harold Bowden responded with the declaration that England to-day is the most prosperous country on earth, and London its merriest spot. In the bicycle business, Sir Harold viewed China with a keen eye to the future. There is a market here for bicycles, made by the Raleigh Cycle Co., Ltd., of which he is chairman and managing director, he believes. Bicycles are within the reach of millions in price, he pointed out. Therefore, it was not surprising to find Sir Harold noting the growth of transportation in the Far East.

Vice-President of the Federation of British Industries, Sir Harold was



"N.-C. Herald" Photo.

BARON HENRI DE ROTHSCHILD

noted author, Commander of the Legion of Honour, doctor of medicine and founder of L'Hopital de Matilde-Henri de Rothschild of Paris, who was a passenger in the ss. Empress of Britain.

marks on its progressiveness. "I thought we should see a Chinese city, but, honestly, I had to look twice before I could be sure that it was not the New York skyline that faced us as we came up the river," observed one.

Baron Henri de Rothschild was met by Sir Elly Kadoorie. He explained his regret at not being able to give any expression of opinion to Shanghai's public. Baron de Rothschild, who writes as André Pascal, is a director of the Nord Railway in France, Commander of the Legion of Honour, a Doctor of Medicine, and the founder of L'Hopital de Matilde-Henri de Rothschild in Paris. Sir Elly Kadoorie also met Sir Julien and Lady Cahn, who will be his guests while they are in Shanghai.

A Stock Refusal

Occupying one of the divans in the lounge of the Cathay Hotel was Mr. John Jacob Raskob, accompanied by the Misses Josephine L. and Margaret Raskob and Mr. Robert Raskob. At the merest suggestion of an interview, Mr. Raskob produced his stock reply. It was terse and left no room for argument when he said it, smiling his insistence. "I have nothing to say," he pronounced, expressing formal regret that this was the case. Mr. Raskob, who has served as assistant treasurer, vice-president, and a member of the finance committee of the E. I. du Pont de Nemours Company, resigned to become chairman of the Democratic National Committee in America at one time. He is a prominent capitalist.

Meanwhile, Sir John Courtis, J.P., an eminent stock-broker, and formerly Lord Mayor of Cardiff and High Sheriff of the county, was solving the mysteries of local currency.

"Yes, sir, sixty cents is about a shilling," observed the clerk.

"And this small money, six pieces of that to the dollar," pondered Sir John, turning to answer a question at his elbow. "Well, you have caught me at that! News of home? England? I have been two months away from home, and there has been little English news to reach us. I can not discuss the political question either, until I get to a place where more English news is available," he added.

The Only Sound Business

"It is a bit hard to manage an interview in this jam," observed a quiet voice close by, which, it proved belonged to a tall, bearded gentleman, Mr. L. M. Taylor, a retired insurance expert from Eastbourne. Mr. Taylor was genial, and his ideas were to the point. "Insurance is the only business that is sound to-day," he replied in response to a question on business generally. "It is doing well everywhere, simply because people can do with-



"N.-C. Herald" Photo.

Sir Elly Kadoorie with Lady Cahn and Sir Julien Cahn, whom he met upon their arrival in Shanghai in the ss. Empress of Britain. Sir Julien is noted as a sportsman who has captained cricket teams and taken them to Jamaica, the Argentine, Denmark, Jutland, Canada, the United States, and Bermuda.

CAMPAIGN AGAINST SITTING

Inauguration of a Four Days Movement

Under the auspices of the Anti-Tuberculosis Society of China, an anti-sitting campaign was launched on Thursday and was continued to Sunday. The inaugural ceremony was held at the Rialto Theatre, at the corner of Kweichow and Peking Roads, with Dr. Li Ting-an, Commissioner of the Bureau of Public Health presiding. Several speeches on the dangers of sitting were delivered. The meeting was attended by more than 200 delegates of local Kuomintang and other Government and public bodies. Simultaneously, separate meetings were held in Chinese schools.

As Friday was Labourers' Day, the Shanghai Municipality New Life Movement Acceleration Association will mobilize its Youths Service Groups of the labouring class and instruct them to direct the anti-sitting campaign in factories. Posters will be exhibited in factories and handbills of a similar nature will be distributed among the workmen. The General Labour Union is to broadcast speeches on the movement.

Saturday has been named as Merchants Day and Sunday as Public Bodies Day.

JAPANESE CONSULS TO MEET HERE

Week's Conference to Begin on April 8

Tokyo, Mar. 30. Japanese Consuls-General stationed in China will meet at the Japanese Legation in Shanghai for a week, beginning on April 8, it was officially announced to-day.

Officials expected to be present include Mr. A. Ariyoshi, Minister to China; Mr. T. Kamai, Consul-General in Canton; Mr. Y. Miura, Consul-General in Hankow; Mr. K. Nishida, Consul-General in Tsinan; Mr. J. Sakane, Consul-General in Tientsin; Mr. S. Kawagoe, Consul-General in Tientsin; Mr. Y. Suma, Consul-General in Nanking; Mr. I. Ishii, Consul-General in Shanghai; and Mr. K. Wakasugi, Counsellor of the Legation.

local office, 41 Kiukiang Road, in honour of Col. E. A. Deeds, a director of the National City Bank of New York, who arrived in Shanghai accompanied by Mrs. Deeds. Col. Deeds spent a busy day and paid calls on Sir Victor Sassoon, Dr. H. H. Kung, Minister of Finance, and others.

Col. Deeds, besides being director of the National City Bank of New York, is actively interested in several other concerns. He is chairman of the board of the National Cash Register Co., International Zeppelin Transport Co., Niles Cement Pond Company, Sheppard Niles Crane & Hoist Corp. He takes a particular interest in the United Aircraft & Transport Corporation, of which he is chairman and executive commissioner, and is a Colonel of the Air Corps Reserves, and a member of many army and navy units. He also displays a great interest in sport and is a member of most of the leading American sporting clubs.

Australia's Interest

Another keen surveyor of trade prospects who spared Shanghai a brief visit was Mr. Spencer-Watts, former chairman of the Sydney (Australia) Chamber of Commerce, who is taking a leisurely journey to Paris to attend the International Chamber of Commerce Conference there. For the second time he will be the representative from his city. He was shown the city by Dr. Patrick.

Miss Pearl White, who thrilled millions in the days when serials held public attention, was also glimpsed before the bell sounded for tiffin, and freed the visitors to wander through Shanghai's numerous shops.

AMERICAN AVIATION EXPERT HERE

Maj. Dichman Planned First Round-the-World Flight

Problems of military and commercial aviation in China will be studied during the next several months by Major Ernest W. Dichman, assistant to the president of United Aircraft Exports, Inc., and former Chief of the Aeroplane Section of the United States Army Air Corps, who has arrived in Shanghai from the United States. Major Dichman proposes to formulate a programme of aircraft development for the Chinese market, based on his study.

Trained as an electrical engineer, Major Dichman became interested in flying during the Great War and enlisted as a flying cadet in the then Aviation Section of the U.S. Army Signal Corps. He subsequently attended ground school with the Royal Flying Corps at the University of Toronto and received further instruction at Tullierro Field in Texas. Selected as one of a group of twenty American officers to study aeronautical engineering at the Massachusetts Institute of Technology, he completed a special course and was sent to France in 1918, shortly before the Armistice.

Prepared World Flight

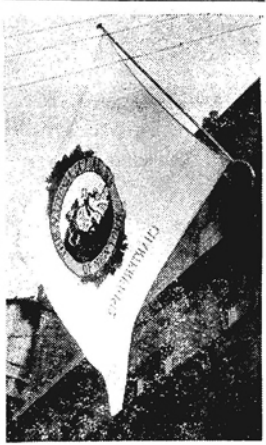
After the termination of the War, Major Dichman was persuaded to remain in the U.S. Army and was assigned to what is now the Material Division of the Army Air Corps, at Dayton, Ohio. For several years he was Chief of the Aeroplane Section of the Corps and was thus responsible for the development of heavier-than-air craft of the Army. As chief of the section he planned and engineered the first non-stop transcontinental flight across the United States, from New York to San Diego (Kelly and McReady). He was also responsible for the selection and development of the U.S. Army round-the-world cruisers which were the first planes to circle the globe, acting as engineering representative during the construction of the ships at Santa Monica, California. From 1924 to 1926 he was Chief Inspector for the Air Corps Advanced Flying School at Kelly Field, Texas.

Major Dichman resigned from the Army in 1929 to become chief engineer of the American Airplane and Engine Corporation, where he designed and developed the "Pilgrim 100" transport, a single-engine, high-wing, externally-braced monoplane of exceptional aerodynamic efficiency.

For the last three years Major Dichman has been consulting aeronautical engineer for the Chance Vought Corporation, dealing chiefly with the corporation's relations with the U.S. Army and Navy. Licensed as a transport pilot in America, he holds the rank of major in the Specialist Reserve, U.S. Army. He is also the author of numerous magazine articles and a book on aviation, and is the inventor of a device for introducing automatic lateral stability in aeroplanes.

Major Dichman, who is accompanied by Mrs. Dichman, intends to remain in China for at least six months and will visit Nanking, Peiping, and Nanchang during his stay.

hai may be able to raise quite a respectable team to go south and meet Sir Julien's side.



"N.-C. Herald" Photo.

AN UNIQUE OCCASION

The flag of the National City Bank of New York flying at the mast of the local office in honour of Col. E. A. Deeds, who is a director of the bank and arrived in the Empress of Britain. He was accompanied by Mrs. Deeds.

High Sheriff of Nottinghamshire in 1933. Although this is his first visit to the Far East, he took more than the usual traveller's interest in Hongkong, and during his short stay there he verified a report that Bowden Street once was one of his father's properties. His father, he said, came to Hongkong 50 years ago at the age of 23, and there made a fortune in real estate. Keen on sports, the visitor recalled his previous visit to Los Angeles when he took the British Olympic teams out to compete there, and became acquainted with numerous motion picture celebrities, as well as spending a week-end at San Simeon, Cal., where he was the guest of Mr. William Randolph Hearst.

It was a glimpse of his well-filled sketch-book that discovered Mr. William S. Horton, an American artist, who is touring the world to complete his collection of pastels for exhibit in the Durand-Ruel Galleries in New York on December 2. He readily discussed the varying aspects of Chinese and Japanese art, and described his own understanding of the mediums he uses, illustrating his ideas with the sketch-book.

The huge white flag of the National City Bank of New York, with the emblem of the bank in the centre, was flown at the mast of the

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SHANGHAI



PETER DAWSON
"SPECIAL"
SCOTCH WHISKY

GENE TUNNEY COMES TO SEE SHANGHAI

Former World's Champion on Present State of Ring:
Boys at the Shrine of Fitness

Mr. Gene Tunney, retired heavyweight champion of the world, and undefeated after he had gained the upper five arrived in Shanghai on Tuesday, Mar. 26, in the Andre Lebon, expounding four major theses, regarding the modern prize ring, namely—that the present title-holder, Max Baer, seems sure of his crown for another three or four years, that Carnera's failure, past and present, was due to malfunctioning of the pituitary gland, that Sullivan was a dipsomaniac who would not be able to hold his own in a modern prize-fight, and that the future champion must have a psychological knowledge, inborn perhaps, but the factor must characterize his actions in the squared circle.

Mr. Tunney was in a party consisting of his wife, and Dr. John Oliver La Gorce, Editor of the "National Geographic Magazine," and Mrs. La Gorce. The two couples have been friends for years and this is the second long tour they have taken together, the first having been four years ago, when they made an extended stay in southern Europe.

Companion's Tribute

Speaking of his friend, Dr. La Gorce said that day, "Gene is a wonderful student. He is the best read and best informed man of his age that I have ever met. Why he even lectured on Shakespeare at Yale. He has an aptitude for language, and his French and Italian are delightful. (Mr. Tunney denied this later). Mrs. Tunney, who also is a great student, with her husband, has been reading two suitcases of books pertaining to the Orient since they left New York."

That the world is small has become axiomatic but it is to be noted that in Shanghai are several persons who have had intimate knowledge of the champion. Mr. Henry Nathan, orchestra leader at the Cathay Hotel, recalls the days before the Dempsey fight when Mr. Tunney often danced to the strains of his orchestra at the club, not far from the training camp. His requests were for the more classical types of dance music. Mr. Del Goodman, Fox manager for the Far East, brought to mind his association with Mr. Tunney ten years ago, and with Gibson, his manager.

Mr. Goodman assisted in "pulling a publicity racket," in furtherance of this bout. Sailing for South Africa in the movie business, he arranged that the local promoters in Johannesburg should cable an offer of \$1,000,000 for the first Dempsey-Tunney bout. This stimulus was a great incentive in the final signing of the papers.

Modern Ring Science

Referring again to science in the ring of to-day, Mr. Tunney reiterated that the psychological factor, all other characteristics being equal, would bring victory. First, a fighter must study his opponent, trying to learn the mental as well as physical weaknesses. He must also couch his own behaviour in terms deceiving his opponent, while his own methods of deception would naturally be disguised. An advance while in distress would avail more than a retreat to obtain breath or rest, but to plead a foul blow to gain a respite had been consigned to the limbo. This unusual procedure had been so often done that the New York State Boxing Commission no longer tolerated fouls—each man must defend himself. In the old days, if an opponent continually fouled, the other would growl at him, "Better keep 'em up, or I'll let you have it in a worse place."

Carnera, Dempsey and Baer

To him Carnera, one-time champion, would never constitute a potential champion. In ring parlance, he had a glass jaw, was slow in his motions, and was hindered by his pituitary gland, which functions slowed rather than speeded up his endeavours in the ring. These opinions were voiced in spite of Carnera's recent defeat in New York of Impeller, who, by the way, was bigger man than the contender lost. Carnera was outboxed, but his comparatively greater ring science won for him, his opponent's seconds tossing in the towel in the ninth round.

Referring to a number of fights which Jack Dempsey won by his boring tactics, Mr. Tunney pointed out that his skill was both psychological and physical and that Dempsey did not know the way to retreat, even when apparently beaten. "Would Dempsey have beaten Baer?" was the question—and in reply Mr. Tunney was of the impression that age and experience being equal, Dempsey would have had a battle on his hands, but the decision should have been his, the gods willing.

The ring to-day was different from 25 years or more ago. The game

was faster and finish fights no longer existed. The famous Sullivan would be outclassed in the modern ring. Speed and science would be his conquerors, coupled with that tinge of psychology which modern fighters possess.

"Could you defeat Max Baer?" The answer, "Well you know, and this and that....."

Advice to Boys

Health and how to attain it was the subject chosen by Mr. Tunney in an informal address to the boys of the Public & Thomas Hanbury School, on Friday. He said that it was through a chance meeting be-



"N.-C. Herald" Photo.

Mr. Gene Tunney

tween himself and Mr. J. J. Walsh that he paid a visit to the school.

"I think," Mr. Tunney said, "that boxing of all sports has the faculty of developing the masculine qualities more than any other. It teaches self-reliance, self-control, self-protection, self-defence, and, lastly, self-confidence in yourselves."

Mr. Tunney traced physical culture from the days before the Olympic Games to present times, and instilled in the minds of his young listeners the early Roman motto, probably taken from the Greeks or Olympian days, "Sound mind, sound body."

Boxing, he said, started with the Olympic Games, was revived by the gladiators of Roman days when public fights took place, then sank into obscurity until the seventeenth century, when prize-fighting started in England. Prize-fighting was governed by the London Prize Ring Rules which formed the basis of present-day boxing in England and America.

Personal Experiences

Mr. Tunney told the boys how he, in his early days, pored over every kind of book and magazine on physical culture, and gradually found out his needs for, he added, he was not as robust as most of them. He discovered that, if he was to reach the top of the tree, he must stop smoking, stop drinking, and go to bed early. Energy, he said, was expended by the body during the day, and a good night's rest brought back that energy and with it "a dividend." He found regular meals were necessary, and while he exercised strenuously, he was careful never to overdo it. He became, in fact, a machine, but always with a purpose in view.

Most boys, he said, naturally were inclined to be lazy, but they should overcome that by will power. "You develop something far more important in the long run than physical condition," Mr. Tunney said, "and that is control of your actions—the development of power of will." This, he said, enabled one to look at something he desired and yet be strong enough to say he did not want it—to be able to leave when the fun was at its height and say "Sorry, boys, I have got to go to bed," or "I don't drink," when offered a whiskey and soda or a beer. He compared physical perfection without self-control to a building which was merely a structure, and had no soul.

Power of Will

To develop power of will, Mr. Tunney told the boys, they should do little things, such as standing up straight while they counted a thousand, or while five minutes ticked by on the clock, so that, when the crisis came, they would be able to say "No." As a test, he told them to refuse something they were particularly looking forward to, such as an ice-cream or fruit pie, just to show themselves they had that power, which, he said, was latent in every one of them.

At the conclusion of his address, the boys gave three cheers for Mr. Tunney and then swarmed round him for autographs.

ALCOHOL DISTILLERY OPENED

2,000 Guests at Ceremony in Pootung Factory

On a piece of land in Pootung, which was but eight months ago a deserted area, now stands one of the best-equipped and most up-to-date factories in China. It is the \$1,000,000-plant of the China Alcohol Distilling Co., a joint enterprise of the Government and Chinese merchants. The construction work of the distillery was completed recently.

The opening of a large alcohol distillery has realized one of the long-cherished desires of the Ministry of Industries not only because the distillery will be able to supply the ever-increasing demand for alcohol in China, but also because of the fact that alcohol is one of the basic raw materials in chemical industries.

The new distillery was formally opened on Sunday afternoon by Mr. Chen Kung-po, Minister of Industries, who made a special effort to come to Shanghai from Nanking to preside over the ceremony. More than 2,000 foreign and Chinese guests were invited to attend the ceremony and three large steam-launches conveyed the guests from the Customs Jetty to Pootung, where the factory is situated.

The distillery has at present a daily output of 30,000 liters, which are considered to be sufficient to meet current consumption, but the production can easily be doubled without putting up additional buildings as enough room has been reserved for future expansion. The manufacture of motor fuel is also being considered as part of the expansion scheme, according to the factory management.

The completion of the building within seven months marks the most successful enterprise achieved by the Ministry of Industries in China this year. The agreement for the erection of the plant was signed between the Ministry and Mr. Huang Kiang-chuan in October 1933, the first pile was driven on May 10, 1934, and the last on November 10, 1934.

The distillation outfit, a three-column still type, was ordered from Messrs. Blair, Ltd., Glasgow, a firm well-known for distillery parts. The raw materials used will be grain, potatoes, and molasses.

The staff of the factory will be purely Chinese. The factory is divided into three departments, Chemical, Mechanical, and Administrative Departments, all under the direction of a factory manager, Mr. Thunz Siang-han, who is a returned student from Holland and Germany. The chief chemist, Mr. Chen Tiao-shen is from the United States, and the chief engineer, Mr. Sie Swie-san, from Java. The secretary of the new distillery is Mr. T. S. Ling.

SHANGHAI BURNS CLUB

At the Shanghai Burns Club annual meeting, in the Palace Hotel, on Tuesday, Mar. 26, the committee reported that, during the past year, the constitution, redrafted by Mr. Ronald McDonald, was adopted. The outstanding event during the year was the anniversary dinner, at which there was an attendance of 51 members out of a possible 70. It was intended to hold a "Ladies Night" at the Astor House Hotel on April 5, when a straight concert of all Burns songs would be presented by several well-known artists.

Officers elected for the coming year were: President, Dr. H. Couper Patrick; Vice-President, Dr. R. Cecil Robertson; Committee, Messrs. James Macbeth, Archie Sharp, Robert Fyfe, S. F. McKenzie, Donald MacDonald, and J. K. Scobie; Hon. Secretary and Treasurer, Mr. William Lyle.

ORIENTAL CLIPPER FORCED BACK

Washington, Mar. 26.

The Senate to-day adopted an amendment to the \$900,000,000 Treasury-Post Office Supply Bill, authorizing expenditure of \$2,000,000 to encourage establishment of an airline from the Pacific Coast to China.

Senator William Gibbs McAdoo sponsored the proposal, declaring that it would bring the United States within four days of China.

Meanwhile, after hopping off for Acapulco, Mexico, en route to San Francisco, the Pan-American Airways' Oriental Clipper was forced to return to Miami, Florida, due to the improper pitching of an outboard propeller. The plane, which will be used in the test flights surveying the Pacific Coast-China route, will start for San Francisco again to-morrow—United Press.

MISS VICKI BAUM'S PHILOSOPHY

Author of "Grand Hotel" on Visit to Shanghai

It is good to take time off from the business of life and consider an art, hill, believes Miss Vicki Baum, a former journalist and now a prominent author, who arrived in Shanghai on Friday in the ss. President Lincoln. Her philosophy of life is simple, for it consists in living her own destiny and permitting others to do likewise. Yet this in no way prohibits an interest in the lives of others, she said, for it is the lives of common folk, "the little people, like clerks, and book-keepers," that catch her deepest interest.

This, perhaps, accounts for the theme of her latest book, the first



MISS VICKI BAUM

former journalist, whose "Grand Hotel" brought her international fame as an authoress. She arrived in the ss. President Lincoln on her way to Hongkong.

draft of which was written in order that she might enjoy her journey through the Far East "with a clear conscience." It will deal with the life of an emigrant girl in America, who, after many struggles, achieves fame as an opera star. It will be called "Career."

Miss Baum is, from one standpoint, a victim of supreme irony, she revealed. Really, she wanted to win renown as a musician, and chose the harp as her instrument. Fate decreed otherwise, and after experience on the Ulstein Press in Berlin, and some years spent in editing magazines, she finally discovered that fame was hers, but as a writer, not a musician.

No believer in the extremist in the modern literary school, Miss Baum insists that Ernest Hemingway is the model among modernists. He has gone as far as is wise or justified in expression in "Farewell to Arms." Still, Miss Baum has absolutely no belief in suppressed genius. Good craftsmanship and an ingenious and individual presentation are necessary for recognition, and the unknown writer who consistently receives manuscripts back is wisest to forsake hope for success, she declared.

At present under contract with Metro-Goldwyn-Mayer, Miss Baum will travel to Java and Bali, returning through Shanghai about the latter part of May.

SINO-N.E.I. TRADE ASSOCIATIONS

Chinese Chambers Entertain
Mr. G. H. C. Hart

Mr. G. H. C. Hart, Director of Economic Affairs of the Government of the Netherlands East Indies, is a visitor in Shanghai and four leading Chinese commercial organizations here took the opportunity on Friday evening of entertaining him at a reception in his honour in the Bankers' Club, 59 Hongkong Road.

The four organizations sponsoring the occasion were the International Chambers of Commerce of China, the Chamber of Commerce of Shanghai, the Foreign Trade Association of China, and the China Institute of International Relations. Notable Chinese business leaders and industrialists were present at the function at which interesting questions and pertinent views of trade conditions were freely exchanged with Mr. Hart, whose business on this brief trip is to gather first-hand impressions of economic conditions prevailing.

Mr. K. H. Ling, chairman of the National Associated Chambers of Commerce of China, spoke on behalf of the company in greeting Mr. Hart and emphasized in the course of his speech the long association between this country and the Netherlands East Indies.

INSP. T. ROBINSON LEAVES S.M.P.

Will Become Superintendent in Tientsin Force

Sunday, Mar. 31.
Inspector T. H. F. Robinson, attached to the Shanghai Municipal Police Training Depot in Gordon Road, will to-day resign from the force to become Superintendent of Police in Tientsin.

Inspector Robinson, who is 37 years of age, was educated at Edward Wilson's Grammar School, London, enlisted in the army in July, 1915, and served with the 1/25th London Regiment in India and on the Northwest Frontier.

He joined the S.M.P. in January, 1922, and passed through the grades to the rank of Inspector, August, 1932. He has had considerable experience in both uniform and detective work, being commended on several occasions in connection with armed robbery cases. For the past year he has been in charge of the Police Training Depot. Throughout his police career he has been keenly interested in sports and he has represented the Force in practically every branch of sporting activity. He will leave for Tientsin on Tuesday.

AMERICAN CLUB'S LADIES NIGHT

Many Enjoy Delightful Programme

One of the outstanding events of Shanghai's social season took place last night, when, for the first and last time this year, wives and feminine friends of members of the American Club were allowed to cross the sacred threshold of the impressive building on Fochow Road.

Thanks largely to the energetic ball committee, headed by Mr. J. Fister, the annual ladies' night has never been a greater success. Between 400 and 450 guests gathered at the gaily decorated bar and drank cocktails in a delightful atmosphere of informality, while Fidler's orchestra provided gay music and Cowan and Bailey of the Paramount ballroom played their troubadours and sang songs appropriate to the occasion, until 9.30.

Dinner was served in the main assembly room on the fifth floor. Bamboos, spring plants and the flags of the United States Navy transformed this from a rather austere, masculine dining hall into a most attractive ballroom with tables arranged in night club fashion around the dancing space in the centre.

Mr. Percy S. Gilman is President of the club and his table comprised Mrs. Gilman, the Vice-president, Mr. C. J. Breen and Mrs. Breen, Captain and Mrs. Cecil Sellers and Mr. George V. Monk.

After dinner the President rose and made a brief, informal speech. He said he was happy to be able to welcome the ladies and other guests on behalf of members of the club, and reminded the ladies that this was their one and only annual opportunity of entering the "holy of holies." He mentioned that the committee in charge, under the able leadership of Mr. Fister, had arranged for an interesting programme of entertainment, and that Mr. Scheeklen, as master of ceremonies, would shortly announce the first number. He hoped that all present would have a very enjoyable time.

Attractive Programme

The evening's entertainment began with songs by Serafim Streikoff, a globe-trotting Russian baritone, and was followed by a delightful Spanish act by two young artists who have just arrived from Spain. The very popular Mary Sands and Mildred Dawn next gave a singing and dancing act, and a charming little lady singer called Dixie Francis delighted everybody with her husky southern drawl. An apache dance by Kravshenka and Fokien and Miss Verna Gordon's exquisite "Continental Dance" completed a delightful programme.

Dancing went on afterwards until far into the night. At the crucial moment, when even the most energetic were beginning to feel a trifle weary and hungry, bacon and eggs, piping hot, appeared as though by magic at the bar.

Amongst the many guests present were noticed Sir Victor Sassoon, Dr. and Madame Wellington Koo, Count and Countess de Courseulles, Mr. and Mrs. Bang How, Mr. and Mrs. Tsuyé Pei, Dr. and Mrs. Y. C. Wen, Mr. W. L. Painter, Miss Matilda and Miss Italia Chieri, Mr. and Mrs. Howard B. Norris, Mr. and Mrs. S. B. Dunlap, Judge and Mrs. Milton J. Helmick, Dr. W. Adams, Mr. E. C. Forde, Dr. and Mrs. Dana Nance, Mr. R. E. Coxon, Mr. and Mrs. R. B. Moulton, Mr. P. T. Chen, Mr. Desmond O'Neill, Mr. and Mrs. R. G. Kendall, Mr. James H. Lee, Dr. Nancy Loo, Mr. John Graham, Mr. and Mrs. Paul Bordwell, and Mrs. Lott Wei.

GRANTS TO SCHOOLS APPROVED

Ten Per Cent. Increase for 1935 Sanctioned

The Shanghai Municipal Council has approved the recommendation of the Education Board that grants-in-aid be issued in 1935 to schools for foreign children as follows:—

Seven Japanese Schools	\$128,000
First Russian School	6,000
Kaiser Wilhelm Schule	7,500
Cathedral School for Boys ..	7,000
St. Francis Xavier's College ..	10,500
Shanghai Jewish School	6,500
Loretto School	3,500
	\$169,000

The Sub-Committee on Grants-in-aid to Foreign Schools recommended a minimum appropriation of \$158,000 (excluding any special grant to Japanese schools) as against \$153,650 in 1934. The Loretto School appeared in the list for the first time. The seven Japanese schools applied for \$178,000; the Sub-Committee expressed the opinion that an amount at least equal to last year's grant (\$118,000) should be given, and that the Council should consider the possibility of making an additional grant to meet special needs.

The Treasurer and Controller stated that in 1934 the Japanese schools requested a substantial additional grant in respect to proposed capital expenditure. In accordance with the Council's usual practice in regard to the allocation of grants-in-aid, it was unable to give favourable consideration to this application but indicated its approval of the proposal of the Japanese community to improve its educational facilities by the issue of an increased grant of \$20,000, it being noted that this was approximately equivalent to the interest charges on such part of the capital expenditure as related to new construction.

Reasons Examined

In respect to 1935, the Japanese Residents' Corporation had applied for an increased grant of \$60,000, and stated that this was made up as follows:—Interest at 4 per cent. per annum on loan of \$900,000 raised during the second half of 1934, \$36,000; half the estimated deficit on working account for 1935, \$24,000.

The Treasurer and Controller pointed out that the Council's letter of March 8, 1934, referred to interest charges on new construction as a form of expenditure that might reasonably be taken into account when consideration was given to grants-in-aid. It was disclosed in the application that of the \$900,000 raised the sum of \$420,000 was used to redeem an old loan and that it was proposed to use the balance of \$480,000 for capital extensions. Four per cent. on the latter figure amounted to \$19,200, and as the 1934 grant of \$118,000 included \$20,000 in respect to interest charges, it was apparent that favourable consideration could not be given to a claim for further financial assistance in this connection.

In regard to defrayment by the Council of half the estimated deficit on working account for 1935, the expenditure included item of \$60,000 described as expenditure for extension works. Transfer of this item to the Corporation's Capital Budget—which appeared to be justified—would correspondingly relieve the working account.

While the Treasurer did not consider that adequate grounds existed for the issue of an additional grant of \$60,000 or any approximation thereof, he was, nevertheless, of opinion that it would be reasonable for the Council to take note of the increase in enrolment in the Japanese Schools in 1935 as compared with 1934 and to recognize this by some measure of increased financial support. He recommended that the grant to the Japanese Schools be increased by \$10,000 as compared with the amount issued in 1934. The 1935 grant would then be \$128,000 and the total grants to all grant aided schools for foreign children would amount to \$169,000, a sum of roughly 10 per cent. in excess of the 1934 appropriation.

After discussion, the Education Board recommended the Council to make the grants set out above.

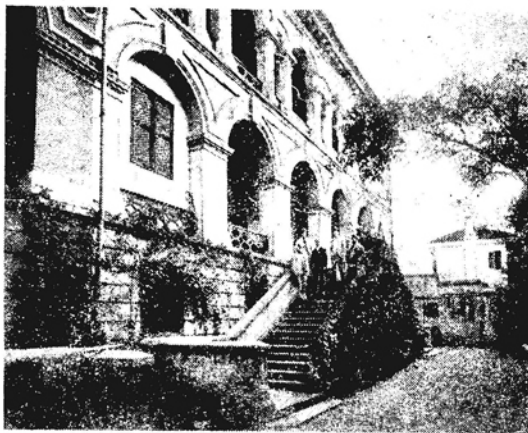
Chinese Schools

The Council adopted the Education Board's recommendation that a sum of \$208,760 be allocated for grants-in-aid to Chinese schools during 1935, including \$6,000 for building grants withheld pending further information to be furnished by the Board by the Sub-Committee on Grants-in-aid to Chinese schools.

The Sub-Committee reported that the number of schools eligible for grants in 1935 was 129 against 145 for 1934, and recommended that the appropriation be increased from \$188,950, the amount approved for 1934, to \$214,760. Out of this total \$12,000 was for building grants to five schools. Twelve schools which had made applications were not recommended for grants; four of these were classified as "Below standard" and the remainder had either closed or were otherwise automatically disqualified.

The Treasurer and Controller proposed an increased appropriation of

RELICS OF ANCIENT SHANGHAI



View of Lane Crawford & Company's old home taken in 1891, with a group of old Shanghaiers on the steps. From left to right are: Messrs. John West (Kelly & Walsh), W. Cope Lane Crawford, H. H. Read (Shanghai Stock Exchange), and J. W. Bennett (Dunn & Co.). Mr. H. H. Read is still carrying on business here and Mr. E. J. Lacey is in business in London.



Another view of the same home, which is still standing at the back of Lane Crawford & Company's present premises, and is now about 75 years old. It is surrounded on all sides to-day by high buildings, but when the photograph above was taken wide vistas of the River could be seen with the Lungshu Pagoda in the distance.

HAS SHANGHAI GOT A CONSCIENCE?

The S.S.P.C.A. is Anxious to Give It a Voice

The annual report of the Shanghai Society for the Prevention of Cruelty to Animals contains a vigorous "foreword" summarising the need for the organization's existence. It opens by stating that "the aim and work of the Shanghai Society for the Prevention of Cruelty to Animals, and the imperative need for wider understanding and active participation among both foreigners and Chinese, in Greater Shanghai as well as in Settlement and Concession. China has no humane laws (referring to animals) in her Legal Code. The International Settlement can only exert control by (a) taking matters in its own hands, as for example in the municipal abattoir (where the latest electrical stunning apparatus is used) or (b) by licence regulations, i.e., dairies, livery-stables, market stalls, live-stock shops, etc., have licence conditions prohibiting cruelty, infraction of which brings suspension of licence—that is all—the Court not recognizing cruelty as a legal offence, however grave the abuse or shocking the case."

The foreword continues:—"The S.S.P.C.A. is formed to voice the public conscience. Has Shanghai one? Every man and woman in Shanghai who profits by the use of animals for food, clothing, and the protection of health (by vaccines and serums) has an inescapable moral duty (a) to see that these are obtained with the minimum suffering and (b) to press for investigation, publicity humane education and legislation."

about 10 per cent. the same as recommended for the foreign schools, and that the total grants be fixed at \$208,000.

Discussion by the Education Board referred principally to the factors which led to the recommendations regarding the building grants to five schools. It was decided to reduce to \$6,000 the sum set down under this heading, and to request the Sub-Committee to review the question of these grants in the light of the special requirements of the schools concerned, with the object of harmonizing their requirements with the Council's policy in respect of such grants. The total appropriation, therefore, was \$208,760.

A CHINESE FABRIC OF BEAUTY

The Arts of Painting, Calligraphy, and Poetry

With her subject the "connection between Chinese painting, calligraphy, and poetry," Mrs. Florence Ayscough on Friday gave a most interesting talk before the Shanghai Art Club members at their headquarters. Mrs. Ayscough first dealt with origins of the arts and then discussed the "six different ways in which Chinese calligraphy, poetry, and painting are woven into a fabric of beauty."

Dealing with origins, the speaker said that "the Chinese are extremely logical people, but they are not hampered by the passion for truth which assails us Westerners." They do not demand that all things be explained in terms of man's ability, and so they postulate a trilogy of heaven, earth, and man in explaining origins, and it is easy to substitute supernatural power when necessary. Numerous legends dealing with the beginnings of writing, the invention of paper, and the brush were cited by Mrs. Ayscough, after which she discussed the bronzes and divining bones of the Hsian period and indicated the development of the "small seal" script.

Calligraphy and imagery require similar technique, Mrs. Ayscough explained. They demand long mental preparation and rapid execution; the picture or artistic writing must be "finished before it is begun." Chinese arts are associated in six ways. Characters and design are interwoven in one picture, they are on associated pieces, they show the same brush stroke, they express the same thought, writing is used in place of image, or images are used in place of writing. After clarifying each of the above methods, illustrating her exposition by coloured slides, Mrs. Ayscough concluded her talk with a brief sketch of some of the ancient poets.

In spite of the depression and the closing of a number of firms in Chefoo, the population there continues to increase. Last year the census showed a total of 120,000 people but the 1935 figures so far show that the total has increased to 160,000.

BIRTH, MARRIAGE AND DEATH

Customs and Ceremonies in China Described

The customs and ceremonies pertaining to birth, marriage, and death were described by Dr. Kiang Kang-hu, scholar, in an address given in the Foreign Y.M.C.A. last Wednesday evening. He stated that the everyday ceremonies and customs in China were generally based on and curiously mixed with Confucianist, Taoist, and Buddhist superstitions and traditions, and in some respects were slightly influenced by Mohammedanism and Christianity.

Of all the ceremonies in China, the matrimonial rite is the most solemn exercise, Dr. Kiang said. When the groom has taken the bride to his home in a bridal chair, the first act is to worship heaven and earth by kneeling down and kowtowing together towards the open space. Then they turn inward and worship the tablets of the groom's ancestors and finally face and kowtow to each other for mutual respect. As soon as this is done, the wedlock is considered sealed. The next is to introduce the newly married couple to the parents and all other members of the family before the outside relatives and friends who are present.

The Honeymoon Period

After having been escorted to the bridal chamber, they are to sit on the bed before the candles and to drink the wedding wine from one and the same cup while relatives and friends bestow upon them congratulations and jokes. The next day, early in the morning, the couple present breakfast to the parents, and pay a visit to the elder members in the family. The third day the couple are to be introduced to the groom's clan hall from where they go to the bride's home for a half-day visit in which all relatives of the bride's side assemble. After this, the bride will accompany her mother-in-law to pay her first visits to all relatives and family friends in the town. At the end of the honeymoon she returns to her parents for a three-days' visit and henceforth abandons the title of bride and assumes all housework.

When a child is born to a family, red eggs are sent to all relatives and family friends to announce the event, with odd numbers to indicate a boy or even numbers a girl. Dr. Kiang continued. "The baby is named on the third day and presented to the ancestor hall on the full moon after a cleansing head shave. The mother is usually confined in bed for twelve days and in the room for a whole month. The birthday is observed and a feast is held on the first, third and tenth anniversaries. Every successive tenth year is an occasion for celebration."

Colour for Mourning

While red is the colour for joy, white is the colour for grief, Dr. Kiang said. When a member of the family dies, the sons and unmarried daughters of the dead wear the natural white ragged end helm cloths and refrain from shaving, wine drinking, and meat eating for 100 days. The coffin will be sealed on the third day after the death and a wooden tablet inscribed with the name of the dead with the dates of birth and death will henceforth be set up and worshipped. Buddhist monks are engaged for religious services either

THE TRANSFERENCE OF THOUGHT

Psychologist Able to Find Hidden Articles

Mr. S. Boeckebinder, a psychologist from the Netherlands, who arrived on Friday in the s.s. President Lincoln after a series of demonstrations in Japan, and who soon will hold public meetings in Shanghai, submitted to a series of tests in the offices of the "North-China Daily News & Herald." As a medical psychologist, he is said to have established a reputation which few possess, and as an exponent of telepathy vouches that he is able to tell past, present, and future happen-



Mr. S. Boeckebinder

ings—illness, fortunes, troubles, and character changes. He was for some time adviser to the police of Soerabaya, Java.

In this journal's offices, yesterday, he underwent four mental tests, such as finding hidden articles, being guided mentally by the persons who had secreted them.

Mr. Boeckebinder expects to remain in Shanghai for about one month and will give lectures, demonstrations, and private interviews. He hopes to persuade the police to secret an article a mile away and declares that he will find it.

at home or in the temple, it should, however, be noticed that such service is merely a custom and even an ornament, and its religious aspect has long been forgotten. Every seven days after the death is an occasion for renewal of the service which may be held seven times during the period of 49 days. After this the coffin is to be removed from home either to the graveyard for burial or to a Buddhist temple for storage. The coffin is carried by from 8 to 64 persons, according to official rank. The sons and grandsons walk preceding the coffin under a white canopy, each supported by a stick. The eldest son carries also a long pole with a white flag, supposing to lead the soul of the dead. Other male members of the family, relatives and friends walk along in groups, and all female members and guests follow riding. The procession is usually accompanied by monks, or priests and bands of music and ornament bearers.

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"SHANGHAI IS OVERBUILT"

But Not Without Hopes for the Future: Expected That Building Now Will Slow Down

Mr. N. L. Sparke, Chairman of Committee, presided at the annual meeting of members of the Shanghai Property Owners' Association, held Monday, Mar. 25, in the Royal Asiatic Society's building, supported by Mr. A. M. Preston (Vice-Chairman), Mr. A. W. Buck (Secretary), and the following members of the Committee: Messrs E. S. Barracough, A. W. Burkill, E. B. Cumine, J. B. Etherington, N. E. Kent, Ronald McDonald, S. C. Miskin, C. D. Pearson, H. Sandor, F. R. Smith, and G. L. Wilson.

The Chairman said:—
At the close of the year, you will notice there was a credit balance with the Hongkong & Shanghai Bank of \$6,285.50, as compared with a balance of \$6,676.26 for the previous year. This drop is entirely due to the fact that subscriptions for 1934 were reduced from Tls. 50 and Tls. 10 to \$50 and \$10 for voting and ordinary membership, respectively. This reduction in subscriptions has naturally had an adverse effect on our income, reducing it by some \$1,500, although expenses during the year under review were kept as low as possible; in fact, they are down \$1,356 as compared with 1933. The accounts show that our expenditure is greater than our income by \$380.76, therefore further reductions in our expenses are essential and will be made during the year 1935.

Chinese Land Tax

Before putting the accounts to the meeting, I will outline briefly matters that have been before your Committee. You will remember last year I mentioned the question of the Municipality of Greater Shanghai enforcing a land tax outside the Settlement and Concession limits and informed you that your Committee had already addressed the Consular Body on the matter, who had replied stating that they would bring the matter to the attention of the authorities and communicate further information in due course. Since the last annual meeting your Committee have followed this question up very closely and have placed the whole position not only before the authorities but to recognized official bodies and associations. The outcome to date is not what might be considered satisfactory, in that some authorities have advised their nationals to pay the tax, although not bound legally to do so, while we have reason to believe that certain other nationals have so far refrained from paying the tax. We are afraid, therefore, that the tax is of a discriminating nature.

I wish to make it clear that this Association has never suggested that properties outside the Settlement limits should be held free of all land tax. We do, however, maintain that this point should be definitely cleared up, that the tax should be non-discriminatory in nature, and that a proper and efficient Appeal Committee should be appointed. We maintain that property owners should be entitled to an independent hearing before some impartial tribunal in the matter of values placed on property for taxation purposes.

In view of what I have said, we have advised members that they must use their own discretion as to whether they pay the tax or not, but that in any case it should only be paid under protest and without prejudice.

Property Securities

The Association was approached last year regarding the matter of checking property securities. Title deeds hypothecated as security may in some instances not show the correct area, owing to land surrenders to the Shanghai Municipal Council for road widening purposes, as the reduction in area is not always endorsed on the title deed. This, you will realize is a matter of importance, especially in regard to property on which mortgage loans are required, and when this type of security is being checked for purposes of audit. Your Committee approached the Shanghai Municipal Council with a view to making it possible for the registered owner to obtain the official area of any lot registered in his name. The Shanghai Municipal Council appreciated the position and have kindly stated that they are willing at any time to inform the owner of the area of his land which is subject to Municipal taxation, upon written application being made.

You will, perhaps, expect me to make some reference to the present rental situation, but, in this connection, I wish to point out that, on the formation of this Association, it was laid down that "it is not our intention to be in any way anti-tenant, and we shall have no sympathy with owners whose property is insanitary or dangerous, nor will the Association assist members in raising rents."

The Rent Question

The objects of this Association are to consider matters of a public and semi-public nature affecting real estate and we feel that the question of rentals is entirely a matter be-

tween the tenant and his individual landlord. It would be quite impossible for the Association to lay down any rules in this respect, as it is obvious that each case must be decided on its merits.

With regard to the suggestion that Municipal rates should be paid by landlords on all unoccupied houses, I must remind you that this Municipal rate is essentially a tenant's liability, the landlord has to pay taxes to the Municipal Council in the form of land taxes based on the assessed value of the land, and this tax is payable, whether the property is occupied or not.

Real Estate Under Cloud

The real estate market is, at the present moment, somewhat under a cloud. This situation is, to some extent, but by no means entirely, due to the rise in the value of silver. It is to a great extent due to the fact that the property market has not entirely recovered from the Sino-Japanese hostilities in 1932, more especially in the Northern and Eastern Districts and this has been aggravated by the present financial crisis. Advances having been made against properties at high rates and facilities for the further financing or re-financing of property deals are not now available, while it has been necessary, in many instances, to exercise pressure, which has resulted in a certain number of forced sales.

Shanghai at the moment is overbuilt, a state of affairs which has been accentuated by the economic depression through which we are now going, but nothing can prevent a great and populous area from going ahead and, once the depression is over, it is probable that vacant properties will again find tenants.

An Optimistic View

We have, in the past, from time to time experienced setbacks in the property market and no doubt the present state will prove to be only temporary, as it is impossible to believe that the city of Shanghai will not continue to grow in size and importance in the not too distant future. For the present, building will almost certainly slow down and so in time the demand for accommodation will again catch up with the supply.

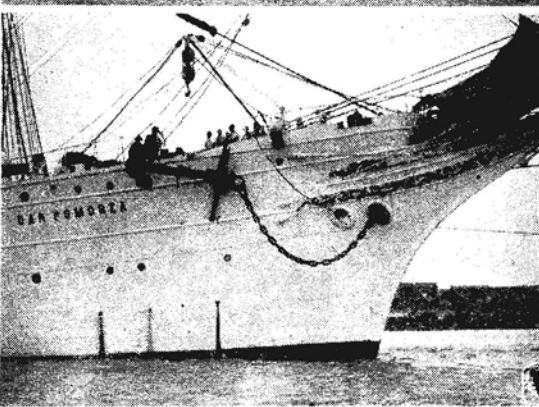
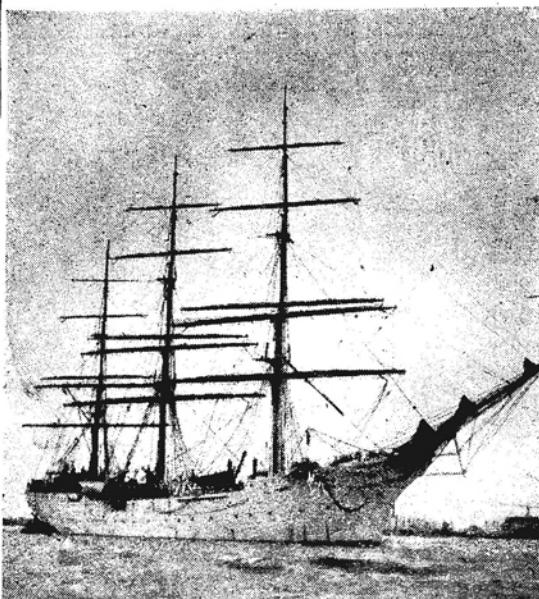
The report and accounts were passed.

The following were elected a committee for the ensuing year:—Messrs. E. S. Barracough, A. W. Burkill, P. Chollet, H. M. Cumine, J. B. Etherington, R. H. Gordon, F. Kempston, N. E. Kent, C. F. King, R. Lock, A. Lonnis, J. R. Maughan, Ronald McDonald, S. C. Miskin, A. M. Preston, H. G. Robinson, R. M. Saker, H. Sandor, F. R. Smith, N. L. Sparke, A. A. Sykes, H. Lipson Ward, G. L. Wilson.

Assessment Values

Mr. S. H. Peek has remarked that, in the course of his service as a member of the Land Commission during the past three years, he had been struck by the fact that it was apparently the unanimous opinion of all claimants before that body that the assessed value of land never, and cannot be, the equal of the market value, and, generally speaking, was considerably below 100 per cent. of that figure, though it was very clearly the Municipal Council's desire that the assessment for land tax purposes should be on a 100 per cent. basis. He was very interested to know whether anyone present could inform him why the practice of under-assessment had come to be the acknowledged rule. He quoted an instance of a lot assessed at Tls. 30,000 a mow and a claim based on Tls. 70,000, whilst the owners' representative sought to prove it was worth Tls. 119,000 a mow. A month or two later, the property was reassessed at Tls. 35,000 a mow. In another case, an owner entered a vigorous protest against an assessment of Tls. 31,000 and stated that it was quite impossible to develop the property to produce an adequate return at the figure at which the Council wished to collect land tax, but a year later, when asked to surrender part of the lot for road widening, evidence was produced to show that the land was worth from Tls. 50,000 to Tls. 70,000 per mow. Mr. Peek said it was extremely difficult for him to reconcile such figures, and he wished someone of knowledge and experience could solve the riddle.

The Chairman said such questions ought to be addressed to the Land Assessment Committee, not one of whose members was present, so he did not see how the question could be answered. After all, it was a matter of opinion whether assessed values were high or low. He thought it would be agreed that, at the present moment, quite a lot of property was assessed above the market value and therefore the landlords were paying excessively.



"N.C. Herald" Photos.

FIRST POLISH OFFICIAL SHIP IN WHANGPOO

The Dar Pomorza, the first official vessel of this nation's fleet, with 60 cadets on board, arrived in Shanghai on Tuesday, Mar. 25, for a stay of four days. Moored at Buys 2/3 Upper Section, this three-master is one of the most attractive vessels to visit Shanghai for years.

INTERNATIONAL ART GROUP'S OPENING

Studio Atmosphere of Club's New Headquarters

A pillar-box red floor, black varnished doors and furniture, and white decorated with intriguing stone rubbings that almost formed a frieze around the room, combine to give the International Arts Theatre Group's new club quarters at 50 Nanjing Road a delightfully original atmosphere. The scene on Thursday afternoon, the occasion of the opening of the club-room, suggested a little piece of Chelsea transplanted to the middle of Shanghai. Between 30 and 60 members, friends, and supporters of the Group strolled around, drinking Chinese tea, admiring and appraising the committee's efforts at decoration, and discussing the future prospects of the group. Guests were received by Mrs. Chester Fritz, who has worked extremely hard over the reorganization of the Group, assisted by an informal committee comprising Mrs. John Potter, Mrs. L. B. Dooley, Mrs. A. Sholes, Mrs. J. Wadsworth, Mrs. W. R. Johnson, Mr. Yiu Ming, Mr. Sze Ming-ze, Miss Lily Liang, Mr. B. Y. Woo, Mr. T. F. Soong, and Dr. W. F. Wang.

The International Arts Theatre is not new, but, during the past few years, it has suffered somewhat from the general depression, and has been reorganized by a few enthusiastic members. Its purpose is to sponsor and create an intellectual and cultural centre where people of all nationalities may meet to take part in all aspects of art related to the theatre. There is also talk of a workshop where members will be able to experiment in stage production. Lectures and discussions by local and visiting men and women will be encouraged.

The reading for the first play of the season, "Lady Precious Stream," will be held on April 5. This is to have an entirely Chinese cast, though others interested in assisting with the production are invited to attend. Amongst those who attended the opening were Baroness Ungern von Sternberg, Mr. and Mrs. Y. C. Wen, Mr. and Mrs. Godfrey Bird, Miss Pauline Beck, Mr. Norman Beale, Count and Countess de Courseulles,

SHANGHAI LIGHT HORSE DANCE

First Affair to Be Held at Race Club

There was no trace of the celibate atmosphere that usually prevails at the Shanghai Race Club last Wednesday night, the occasion being the annual dance of the Shanghai Light Horse, S.V.C. This is the first time that a dance has ever been held in the Race Club and it is hoped that the occasion will establish a popular precedent.

An energetic decorations committee, consisting of Troopers Douglas Smart and Edmund Toeg, had succeeded in transforming the rooms with flags of every nation, multi-coloured paper streamers and decorated bamboo. The O.C., Captain C. Trencard Davis, M.C. Lieut. Hugh Maitland and Second Lieut. G. E. Mot comprised the bull committee, assisted by Trooper J. B. Manley, who looked after supper arrangements, Sergeant C. O. Cumming and Corporal H. Hodgman.

The guests, numbering well over 200, were received by Captain and Mrs. Trencard Davis. Mrs. Davis wore a charming gown of heavy white crepe, cut on straight simple lines. A corsage of red carnations provided the dress' only relief.

The scene in the brightly decorated ballroom was very gay indeed. The blue patrol jackets of the Light Horse members blending attractively with the ladies' vividly coloured gowns.

The official guests of the evening included Brig-Gen. and Mrs. F. S. Thackeray, Colonel and Mrs. F. R. W. Graham, Captain and Mrs. W. Gell, R.N., Judge and Mrs. A. G. Mossop, Major and Mrs. F. W. Gerard, Col. Hammond-Smith, Mr. H. E. Arnold, Brig-Gen. E. B. Macnaghten, Major Burke-Murphy, Captain Philip H. Catt, Captain H. D. Rodger and officers of the American Troop. Major Ainger and Major and Mrs. H. F. Newton.

Mr. Douglas Smart, Mr. Desmond O'Neill, Mr. and Mrs. A. J. Hughes, Lt.-Col. and Mrs. J. M. Doyle, Mrs. Milton J. Helmick, and Mr. and Mrs. S. Matsumoto.

A POLISH TRAINING SHIP IN PORT

Sixty-six Cadets Making an Extended Cruise

With her 66 cadets smartly dressed and lining the rails, the Dar Pomorza, a Polish Government Mercantile Marine three-masted training ship, made port on Tuesday, Mar. 26. Having passed Woosung at 2.35 p.m., the ship took up moorings at Buys 2/3 in the Upper Section at 5 p.m.

Brought in by two tugs, the schooner came along at ease, without apparent use of its auxiliary engines. This, in spite of the heavy winds over the harbour, which, blowing through the masts and yards, threatened to swing the tow from its course. This was obviated by the second tug, and the ship took up its position at the buoys seemingly without difficulty.

Meeting the vessel were Polish Consular officials and commercial representatives. No open-house programme has been announced, but it seems certain that this unique vessel will be thrown open to public inspection.

The Pomorza, purchased by public subscription, is nearly 2,000 tons, and is manned by officers and instructors numbering 41, while 66 cadets are receiving instruction on a cruise of about thirteen months, the vessel to be in Gdynia on September 1.

Crew Entertained

Capt. K. Maciejewicz, Commander of the Polish training ship, Dar Pomorza, and Second Officer H. Rowinski made a courtesy call on Vice-Admiral Chen Shun-yung at the local headquarters of the Ministry of Navy, Kiaochangmiao, on Wednesday morning, and later visited Gen. Wu Te-chen, Mayor of Shanghai, at the Kiangwan Civic Centre.

Mr. Georges Barthel de Weydenthal, Polish Minister to China, entertained the captain and entire crew at tiffin, to which Gen. Wu Te-chen, Mr. Kuo Yu-shu, and Mr. S. C. Li, directors of the Sino-Polish Cultural Society, also were invited. Capt. Maciejewicz and the Second Officer were to leave for Nanking that night to call on the Minister of Foreign Affairs, the Minister of Navy, and the Minister of Communications.

Departure for Hongkong

The Dar Pomorza left on Monday continuing her round-the-world trip. Starting from Poland last September she crossed the Atlantic to America, passed through the Panama Canal, and thence to Japan. From Japan she came south to Shanghai. Her next port of call will be Hongkong, then Singapore. From Singapore she crosses the Indian Ocean to Mauritius. From the Isle of Mauritius she will call at Durban and then make her way round the Cape of Good Hope and up the west coast of Africa to the Azores Islands. From the Azores the Dar Pomorza will sail back to Poland, going up the English Channel and putting in for a short while in Dover. She will return to Poland in September, the total cruise taking approximately one year. The Dar Pomorza with the exception of small horse-power engine is entirely dependent on her sailing power.

Reception at Legation

The Officers and cadets of the Polish Training Ship, Dar Pomorza have been thoroughly enjoying their stay in Shanghai. On Sunday evening a farewell entertainment was given for the visitors by the Polish Minister and Madame Barthel de Weydenthal who were at home in the Polish Legation to a large company of foreign and Chinese friends.

In addition to the diplomatic and consular representatives and their ladies, those present included, Lord and Lady Li Ching Mei, Mr. and Mrs. Peter Li, Brigadier-General E. B. Macnaghten, Brigadier and Mrs. F. S. Thackeray, Mr. and Mrs. U. M. Tavella, Mr. and Mrs. E. Fierholzer, M. and Madame G. S. Moresthe, Mr. and Mrs. E. A. Long, Vice-Admiral Chen and officers of the Chinese Navy, Captain and Mrs. T. Hutchins, Mr. and Mrs. Jabin Hsu and Captain Max Simon-Eberhard.

MARQUIS LI TO HEAR FATE NEXT FRIDAY

The re-trial of Marquis Li Kuochieh, former general manager of the China Merchants S.N. Co., was concluded on Saturday afternoon by the Kiangsu High Court which held its session in the Shanghai District Court in Nantao owing to Marquis Li's inability to proceed to Soochow on account of sickness. Judgment will be given on the morning of April 5. Marquis Li was sentenced on charges of malfeasance and bribery. Dissatisfied, the Marquis appealed and, as a result, his prison term was increased. Marquis Li filed his second appeal and the Supreme Court ordered a re-trial.

BUSINESS GIRLS HOLD BANQUET

International Club's Local Branch Celebrates

Upwards of 20 different nationalities were represented at the sixth annual banquet of the Business and Professional Women and Girls of Shanghai, held at the American Women's Club last Wednesday night, while similar affairs, sponsored by the International Business Girls' Council, were taking place in cities all over the world.

Miss Lucy Daldor, acting Chairman in the absence of Miss Barbara Rich, received the girls and a delicious buffet supper was served.

Mrs. S. P. Huang, the Council's Chinese representative, read telegrams of greeting from other cities and countries. These included messages from Singapore, Manila, Australia, the United States and many cities in China.

Miss Eleanor Hinder, who inspired the first of these dinners six years ago, and has faithfully attended every one since, was next called upon to make her "godmother" speech. She linked past festivities with the present one in a few well chosen words and extended a sincere welcome to all present, with a special word for the guests of honour, Mrs. Florence Ayscough, Mrs. Alice Tisdale Hobart, Miss Catherine Ball and Mrs. Elsie Hylbert, Chairman of the International Branch of the Foreign Y.W.C.A.

Mrs. Hobart's Speech

Probably the most eagerly anticipated item on the programme was the informal talk on the profession of writing by Mrs. Hobart, herself the author of several books on China. Rapidly sketching the economic background which has led young Americans to feel themselves unwanted, Mrs. Hobart sounded an optimistic note when she declared that it is through situations of this sort that the world moves forward. When professions are crowded, then it is that those with foresight and initiative search for new fields of endeavour and so develop themselves into pioneers, she said, adding that this is especially true in China where the girl with a constructive outlook may develop fields of women's activity as yet unexploited here.

From this point, Mrs. Hobart cleverly led her listener's into the story of her own personal experiences which she was asked to recount, reiterating with convincing power, the thought that a hopeless attitude is non-productive, while a determined effort, coupled with courage, is definite in its creative prospect.

"There is no profession more overcrowded than the writer's profession," she pointed out, "and yet there is always opportunity for the special book." Drawing on her own rich experience, the author, whose most recent success was "Oil for the Lamps of China," dilated on the handicaps to be overcome by any aspirant to literary fame. "Ninety per cent. of the manuscripts submitted never reach the point of decision before an editorial board," she revealed, "and of the remaining ten per cent., only one per cent. is published, out of which must come the unique book selected to be featured."

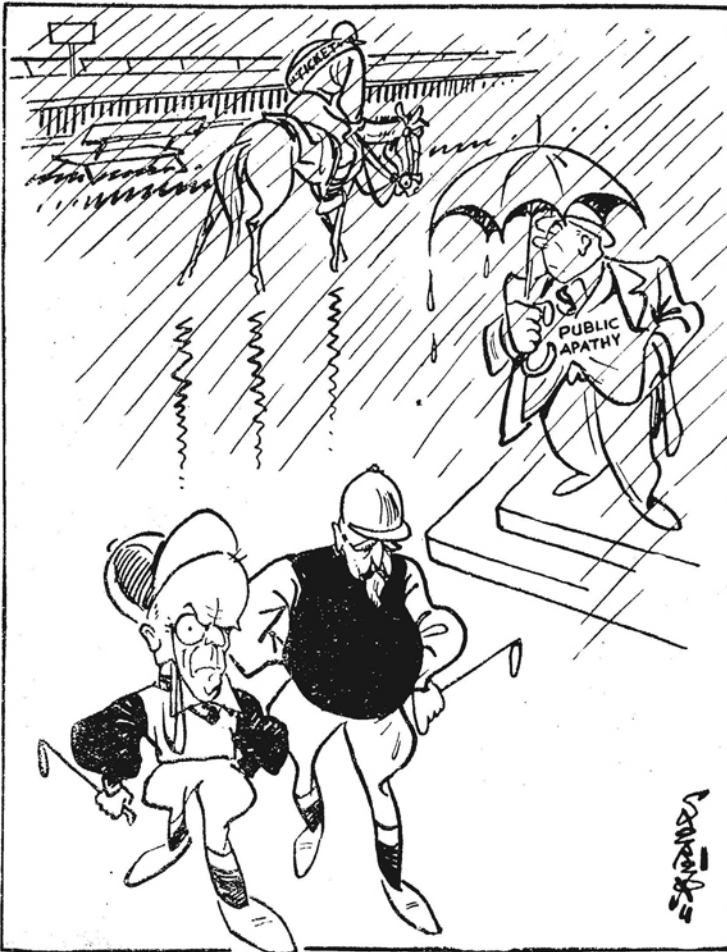
A Popular Profession

Two reasons were given by the speaker for the overcrowded state of the writing world. The first she described as the "glamour attached to a profession by those with the 'get-rich-quick' motive." Yet few who enter the lists with that motive reach the pinnacle, for Mrs. Hobart warned, the public seems possessed of a fine sense capable of discerning the genuine. Years of hard work behind every success is a general rule, observed the speaker, adding that 17 years have elapsed between her first accepted articles, which appeared in the Atlantic Monthly, and her most successful book, "Oil for the Lamps of China."

The second factor accountable for the thousands of eager writers is the universal urge for self expression.

She next touched on a problem which has caused more than a mild controversy, namely the place of China in American literature. She termed the character role of China in American literature during the past as that of "either an over-costumed exotic or a villain," and noting protests made by the Chinese against these "caricatures of a great and cultured people," declared them nothing less than "a tragedy." She maintained that even now, serious works suffer from this same misconception which is difficult to destroy, and declared that America, despite its keen interest in Chinese subject matter, has yet to attain that deep and real interest which is still to be achieved.

In a finely calculated conclusion, Mrs. Hobart lauded the part individual experience plays in the art of writing a novel, advising her hearers to remember that "Experience is the counter upon which one must ring



A DULL MEETING

By SAPAJOU

NOTED VIOLINIST IN SHANGHAI

Mr. J. Lampkin to Play Here, Also Peiping and Java

Having toured Japan with success, according to the press of that country, Mr. Josef Lampkin, the only American-born concert violinist to visit the Far East, arrived in Shanghai for the second time on Friday in the President Lincoln, accompanied by his mother, Mrs. A. Lampkin.

Referring to her son's previous visit, Mrs. Lampkin thought that his reactions were impressionist, as he was an infant in arms. They left San Francisco subsequent to the earthquake in April 1906, and remained here for little more than a year, living in the outskirts of the Settlement, at the then No. 22 Avenue Road.

At the age of 30 Mr. Lampkin has had a most spectacular musical career. He studied in America and Europe, and at the age of 22 played in Paris at the Beethoven Benefit Monument concert. Prior to arriving in Japan he was associated in a solo capacity with the symphony orchestras of San Francisco and Los Angeles.

Mr. Lampkin will remain in Shanghai and North China for three weeks, playing several times here, and later proceeding to Singapore and Java, having been engaged for 31 concerts. The late summer he will spend in Europe.

Mr. Lampkin studied under Vecsey and is believed to be the only other virtuoso who plays his masterpiece, "The Wind." Mr. Lampkin also had the pleasure in Vienna of playing with the noted composer, Glazounoff. Among his favourite selections are "Chaconne of Vivaldi," the "Satyr and Dryade," the "Flight of the Bum-blobee," and he is noted for his brilliant performance of Paganini's "Perpetual Motion."

the coin of your story to assure yourself that it is genuine." Her final comment was that, had her book, with its universal theme, the search for employment and security, been published before America had suffered the depression, it would have fallen on deaf ears, for, she smiled, "You must have experience, but another factor is to be considered—the understanding of your reader—and without the depression, America could not have understood the desperate search for security, underlying all religion, which made them possible to understand experience as it was written into a novel."

WELFARE WORKER'S EXPERIENCES

Visitors from Los Angeles Entertained

While members of the Los Angeles Chamber of Commerce were being entertained to tiffin at the American Club by the Shanghai American Chamber of Commerce, on Thursday, their wives enjoyed a Chinese party at the Foo Loo Zoo restaurant with members of the American and Chinese Women's Clubs. The Chamber were also hosts in this instance, and Mrs. Charles M. Campbell, as the only lady member of it, was responsible for the arrangements, assisted by members of the other two clubs. About 65 were present and the guests were Mrs. C. L. Boynton, President of the American Women's Club; Mrs. Y. C. Wen, President of the Chinese Women's Club; Mrs. Julean Arnold, Mrs. Milton J. Helmick, and the ladies of the Los Angeles Chamber of Commerce party.

Mrs. Albert Crutcher, who is President of the Los Angeles Children's Hospital, said that the building was a Hollywood landmark and did wonderful work amongst poor families. No colour had prevailed, she said, and went on to describe brightly furnished wards with Japanese, American, Chinese, Jewish, and Negro children lying side by side, each receiving the most expert treatment that Hollywood can provide. The out-patients department had grown tremendously, and this fact Mrs. Crutcher ascribed to the depression, felt by Hollywood as keenly as other cities. Children of lawyers, architects, and other professional men who had been hard hit by lack of business helped to swell the ranks of patients, and it was usually possible to arrange for this type to be treated at home under medical supervision.

Mrs. Crutcher enlarged upon the new "treatment pool" recently dedicated to the hospital, and the helpful curative work it has done in cases of infantile paralysis. She concluded by urging the women of China to co-operate for the good of the community, stating with a smile "it is we women who are the real leaders, though of course we need the men to back us up."

Mr. John Muccio, formerly attached to the U.S. Consulate-General as consul, who left Shanghai in November on home leave, has been transferred to be third Secretary of the Legation at La Paz, Bolivia.

AMERICAN CO., S.V.C., HAVE BUSY NIGHT

Recruiting Drive and Farewell to Major Neal

A dinner was given on Thursday night in the S.V.C. Hall by members of the American Company, S.V.C., to their former O.C., Capt. G. M. Neal, who last week was promoted to the rank of Major, and now will be second-in-command to Major W. R. Johnson, commanding "B" Battalion. At the official table were Capt. J. C. Doughty, O. C. of the Company, Capt. Houghton, American Machine Gun Company; Lieuts. Awad, Portrude, and Farnum, with Lieut. Roberts (formerly a Company officer, but now attached to Headquarters). Others included Capt. Rodger and Lieut. Taylor of the American Troop, and Major Baracough and Capt. P. Eardley. About 80 per cent. of the strength were present.

The function, coincident with a presentation to Major Neal, carried with it a recruiting "drive," the policy of which had been recommended by Col. F. R. W. Graham, Commandant, S.V.C. It was announced that 20 recruits had been obtained.

With a felicitous speech, Capt. Doughty presented Major Neal with a sword, upon which was engraved—"Presented to Major G. M. Neal, Major, S.V.C., by the officers and men of the American Company, S.V.C., March, 1935."

Major Neal said that he was overcome by the presentation, but he

MEDICAL SOCIETY MEETING

Dr. A. Tarle Elected New President

The annual meeting of the Shanghai Medical Society was held at the Lester Research Institute on Thursday evening, the chair being taken by Dr. J. L. H. Paterson the retiring President, The Hon. Secretary, Dr. L. McGorrick, in his report drew attention to the stimulating and informative character of the monthly meetings and pointed out that not the least important function of the society was that membership implied and exacted a high ethical standard of professional conduct, all the more desirable to-day, since there seemed to be much laxity of thought amongst certain doctors in Shanghai as to what constituted medical ethics.

The Hon. Treasurer, Dr. A. Price in his report showed a substantial credit balance of almost \$2,000.

The following officers were then elected for the ensuing year:—president, Dr. A. Tarle; vice-president, Dr. J. L. B. Branch; secretary, Dr. G. Chambers; treasurer, Dr. A. Price; members of Council, Drs. E. G. Gauntlett, F. Reiss, G. A. Velliot, and T. Chen.

Medicine in Shanghai

Following the election of the new officers of the society, Dr. Tarle, the new president, took the chair, and the retiring president, Dr. Paterson, gave a brief address on some points of interest in the early history of western medicine in Shanghai.

After a brief outline of the chief topographical features of the city and Settlement between 1843 and 1873, he gave a sketch of the conditions under which the settlers in the area now known as the Central District of the Settlement carried on their home and business life. Special reference was made to the water supply of those days, when the best water available was that drawn from the Whangpoo, and even that was loaded with the discharges from the numerous creeks inside and surrounding the city, and from the hundreds of junks and smaller boats lying opposite the city.

Particular mention was made of some of the more serious and dangerous epidemic diseases, of which cholera, dysentery, malaria, small-pox, and typhus were the chief. Special outbreaks were spoken of, especially that of cholera, in 1893, when the deaths from this disease were estimated to reach as high as 1,500 in one day.

Leprosy was noted as having been found in considerable numbers of patients from the earliest days of modern medical work in this district. It has sometimes been assumed that cases of leprosy found locally have been imported cases, i.e. that they have come to Shanghai from elsewhere. This may well be the case with many, but leprosy has been found in Shanghai for the past ninety years at least.

The brief time available precluded the lecturer from mention of many other interesting factors in the medical history of those early Settlement days.

would treasure it among his possessions. He would hope that, when he finished "at Headquarters," he could lay the snow away and become a "buck private" with the Company again. This he prefaced by stating that he was convinced their present O. C. would handle Company affairs satisfactorily, assisted by the officers, and, above all, by the sergeants, than whom no unit had more reason to be proud.

Songs by Sergt. Gifford, R.A.M.C., accompanied on the piano by Sergt. Thorpe, S.V.C., followed, after which Sergt. V. Page, R.A.S.C., rendered a monologue and other numbers, and Capt. P. Eardley gave "Daniel in the Lions' Den."

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TROUBLES OF FOREIGN Y.M.C.A.

Big Deficit on Year's Working and 14 Per Cent. Fall in Membership: Improvements Indicated

Brig.-Gen. E. B. Macnaghten presided on Tuesday, Mar. 26, at the seventh annual meeting of the members of the Foreign Y.M.C.A., this being his last official duty before retiring from the Board of Trustees, on which he has served since the building opened in 1927. A "vote of thanks and an enthusiastic round of applause" from the members indicated their sincere appreciation of his services to the Association. In retiring from the Board, both Gen. Macnaghten and Mr. E. F. Harris expressed their desire that the Association would be able to render continually extended and effective service to the young men of Shanghai, through the co-operation of members, committees, and the executive staff.

The following trustees were elected:—For 1936 Class—Dr. J. C. McCracken, Mr. R. M. Vanderburgh. For 1937 Class—Mr. K. W. Irle. For 1938 Class—Mr. C. S. Franklin, Mr. I. G. Riddick, Mr. W. E. Souter, Mr. J. H. Sutcliffe.

Reports on the year's working were received from the President, Mr. H. H. Arnold (membership committee), Mr. E. F. Harris (social committee), Dr. J. C. McCracken (physical department committee), Mr. R. M. Vanderburgh (junior division committee), and Mr. L. C. Healey (educational department).

Year's Big Deficit

The result of the year's operation showed a deficit of \$28,578.26, which is \$17,786.43 over 1933, while the net income for the year showed a decrease of \$17,786.43. Operating expenses for the year were \$259,015.67, an increase of \$17,111.26 over 1933, the most noticeable differences falling under the two headings of general administration and physical department. General administration for last year amounted to \$90,502.04, which is \$50,149.48 more than in the previous year. The physical department's operating expenses were \$41,327.29, compared to \$60,581, showing a saving of \$19,253.71.

The President confined his remarks to expressing his appreciation

of the great services rendered by the members of both the standing and other committees, and in particular Mr. Arnold, the chairman of the House Committee and other members of that committee, who, he said, had devoted much time and trouble to alterations and improvements in the building.

Changes in Catering

The work of the House Committee, Mr. Arnold said, had been more arduous than in any year since the opening of the building. One of the most important matters to receive attention was the food service. After careful investigation, a number of changes were made in those parts of the building given over to food service. The room formerly known as the private dining room was re-furnished and renamed the grill lounge and afforded an ideal place for members to entertain their friends, including ladies. The grill room on the third floor was installed for a la carte service. The Association took over the catering department on January 1.

Rates for rooms had undergone a revision. Single rooms now ranged from \$45 to \$70 per month, and for two in one room from \$30 to \$60. Full board was provided at \$75 a month. The addition of a modern steam laundry would be finished by May of this year.

Membership Decreases

Mr. W. E. Souter said that, including all types of membership for the year 1934, there was a decrease of 14 per cent. from the previous year. The committee felt that a larger membership could be accommodated and all applications for membership received careful consideration.

The balance-sheet for the year ending December 31, 1934, showed the assets to amount to \$1,294,725.17, and the liabilities included a bank overdraft of \$17,046.61. There were also—Accounts payable \$11,504.37, deposit with caterer of \$10,000, Camp Fund \$8,684.94, reserve for depreciation and contingencies \$124,277.84, and a total capital investment of \$1,123,211.41. The net amount due from members amounts to \$6,855.33, being the difference between \$23,725.85 due from members, and \$16,870.52 reserve for doubtful accounts.

Tsingtao Camp

Mr. Vanderburgh said that this year the annual camp at Tsingtao will be held from July 1 to August 4, inclusive. It was hoped to effect certain economies in raising the funds by more fully utilising the Association staff and membership in promotion of the campaign, which annually provides funds for needy boys to be sent to camp, and for the creation of a fund which will provide a permanent camp site for the Foreign Y.M.C.A. Last year's camp was the fourth held to date and 118 attended.

The financial statement of the second annual boy's camp campaign showed that \$6,570.99 was received in general contributions. Of this sum, \$2,667.38 was expended in assisting 48 boys to attend the Tsingtao Camp, \$885.91 on printing and postage, \$382 on extra clerical expenses, and \$2,635.70 was kept in reserve for the purchase of a camp site in Tsingtao.

SALVAGE OF THE TUG ST. AUBIN

Preliminary Proceedings Said Well in Order

Operations have been extended on the Shanghai Tug & Lighter tug St. Aubin, which sank as a result of the collision with the Chinese ss. Kiang Shun about two weeks ago, in the harbour section between Buoys 9 and 11.

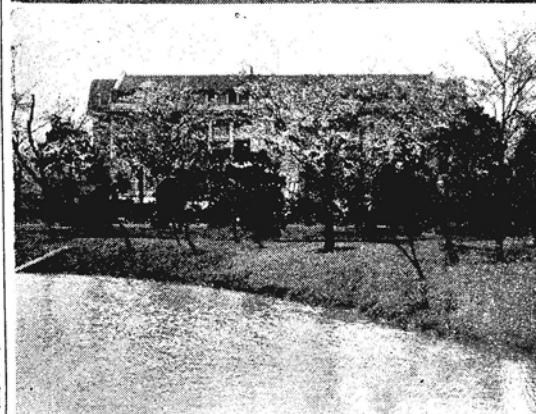
Although the company officials are unable to give information regarding the final raising, they state that preliminary salvage operations are proceeding. This process requires sealing of the engine rooms and holes in the hull. The greatest difficulty has been incurred with cable work. Wire hawsers of exceptional strength were to be inserted under the keel. The earlier work was unsuccessful, but it has been ascertained that this week's operations are meeting with greater success.

The general method of procedure inclines towards raising the tug by means of lighters, which with the tug comparatively clear of water, will be lifted on successive tides, each subsequent operation dependent on the preceding one. No shear legs are to be employed, according to report.

The St. Aubin of 470 tons and 135 feet long has proved a difficult task, but the salvage officials fear no untoward incident when raising operations begin about ten days hence.

CHERRY BLOSSOMS IN FULL BLOOM

"N.-C. Herald" Photos.



Despite the rain, the cherry blossoms in full bloom at the residence of Mr. and Mrs. T. Urabe, 114 Route Pere Robert, made a brave showing last Wednesday afternoon at the reception given to 400 Shanghai residents. These pictures show aspects of the beautiful grounds.

JAPANESE WANT MORE SEATS ON COUNCIL

Bid for Bigger Proportion of S.M.C. Members

No knowledge of the so-called "gentlemen's agreement" whereby the seats on the Shanghai Municipal Council are apportioned among British, American, and Japanese in the ratio of five, two, two, was professed last Wednesday in a statement made public by Mr. M. Amano, chairman of the Amalgamated Associations of Japanese Street Unions. The Japanese, he said, are confident of being able to get a larger representation on the Council in the near future.

"Although there was an unusually strong desire among Japanese ratepayers for three candidates this year," his statement says, "to our great regret we had, for certain reasons, to content ourselves with the usual number of two. But I am confident that in the near future we can succeed in securing three seats on the Council through showing our increasing interest in the Municipal administration on every possible occasion and also through making untiring efforts to seek a good understanding with other foreign communities."

"Our profound interest in the administration of the Settlement has been evidenced by the number of Japanese voters who have exercised their polling right. Of the total voters of 3,856, there were 880 Japanese voters and 751 of them cast their votes, representing 85 per cent. This excellent result may be taken as favourably indicating the prospect of a movement in future for an increase in Japanese seats."

"In order to clear ourselves of any misunderstanding, I would like to add that though the 'North-China Daily News' made mention in its editorials of an 'Anglo-Japanese gentlemen's agreement,' the Japanese side has had no knowledge of it. I, therefore, think that has been a misunderstanding on the part of the journal."

This Year's Percentages

Actually, of the 1,587 votes cast in the election on Monday and Tuesday, the foreign vote was larger than the Japanese, though the percentage of possible voters showed marked apathy among the foreign section of the community. This year the foreign ratepayers entitled to vote numbered 2,837, or 76.06 per cent. of the possible vote; while the Japanese ratepayers entitled to vote numbered 893, or 23.94 per cent. of the possible vote, which totalled 3,730. Of the 1,587 votes cast there were 812 foreign and 775 Japanese. These

CHERRY BLOSSOM TEA PARTY

Large Gathering at Home of Mr. T. Urabe

A persistent drizzle robbed between three and four hundred guests of the pleasure of strolling beneath cherry trees in full bloom at Mr. and Mrs. T. Urabe's reception last Wednesday, but in spite of this trying behaviour on the part of the weather, the affair was one of the most successful social events of the season.

Until a few years ago, these gatherings were held every year in order to give Shanghai's diplomatic, naval military and social circles an opportunity of enjoying the Cherry Blossom festival locally. Two years ago, to the delight of everybody, they were resumed again.

The pleasure of seeing Mr. and Mrs. Urabe's famous garden at 114 Route Pere Robert and driving up to the house between rows of beautiful, blossoming trees could not be spoiled by any climatic vagaries. Those invited had evidently noted the provision "rain or fine" on the invitation, for in addition to scores of foreign and Chinese guests, Mr. and Mrs. Urabe also welcomed nearly all the prominent members of the Japanese circle.

Guests were too numerous to be listed in full, but among those invited were Mr. and Mrs. A. S. Henchman, Mr. and Mrs. U. M. Tavella, Mr. and Mrs. P. W. Bradford, Mr. B. D. F. Belth, Mr. and Mrs. John Liddell, Mr. E. J. Yannoulatos, Sir Frederick and Lady Maze, Major and Mrs. A. F. Fassett, Mr. A. W. Burkill, Mr. L. E. Canning, Mr. W. R. McBain, Mr. and Mrs. N. L. Sparke, Mr. and Mrs. H. W. P. McMeekin, Mr. H. E. Morris, Mr. Edwin Hayward, Mr. Julian Arnold, Mr. Stirling Fessenden, Mr. J. R. Jones, Brig. Gen. E. B. Macnaghten, Mr. and Mrs. C. Harpur, Major and Mrs. J. T. Ford, Major and Mrs. F. W. Gerrard, M. Verrier, Captain P. Gable, M. P. Blanchet, Mr. Percy Kwok, Mr. and Mrs. G. A. Fitch, Mr. and Mrs. H. C. Mei, Baron and Baroness J. Barthel de Wydenthal, Mr. and Mrs. Etienne Lady, Mr. Edward S. Cunningham, Mr. and Mrs. Marcel Baudet, Lt. Col. and Mrs. H. Kriebel, Sir John and Lady Frenan, Commander L. Neyronne, Mr. N. Aall, Mr. and Mrs. E. A. Long, Mr. J. W. Carney, Mr. and Mrs. C. S. Franklin, Mr. and Mrs. T. C. Chiu, Mr. and Mrs. Y. T. Woo, Mr. and Mrs. Paul Parentzen, Mr. Harold Porter, Mr. and Mrs. Monnet B. Davis, Mr. and Mrs. R. M. Joseph, Lieutenant-Colonel Fiehepin, Brigadier-General S. S. Thackeray, Major E. Ainger, Colonel J. C. Beaumont, Lieut. Col. Hammond-Smith, Mr. and Mrs. S. L. Hsu, Mr. and Mrs. W. P. Lembe, Mr. and Mrs. Tsuyee Pei, Mr. and Mrs. T. Yamamoto, Mr. and Mrs. Yu Ya-ching, Captain W. H. Gell, R.N., Captain P. Catt, Mr. J. H. Keswick, Colonel F. R. W. Graham, Lieut. C.R. Eutler, R.N., and Captain L. Elena, R.N.

DEATH ANNIVERSARY OF 72 MARTYRS

Memorial Meeting in Observance of Kuangtung Uprising

The Customs, District Courts, and other Government institutions were closed and national flags were hoisted at half mast on Friday in commemoration of the death of 72 martyrs in the Kuangtung uprising. Precautionary measures were taken by the police and garrison headquarters in the Chinese districts against possible unruly elements, but no untoward incident occurred.

Under the auspices of the Shanghai District Kuomintang, a memorial meeting was held in the People's Educational Institute, Wen Miao Road, West Gate, Nantao, yesterday morning, when speeches bearing on the occasion were delivered. More than 500 delegates of various Government and public organs attended the meeting.

Mr. Kao Tsung-wu has been appointed chief of the Asiatic Department of the Ministry of Foreign Affairs.

figures mean that 86.79 per cent. of the qualified Japanese voters attended the polls, in spite of the abstention of a number who disagreed with the policy of not immediately demanding three or four seats on the Council and putting up nominees accordingly. At the same time, only 28.62 per cent. of the foreign voters filled in their balloting forms, as against 35.16 per cent. last year. The Japanese percentage shows a slight increase, last year's being 83.26 per cent. Last year 46.67 per cent. of the total registered ratepayers cast votes, as against 42.55 per cent. this year.

Date of Annual Meeting

The annual meeting of ratepayers will be held this year on Wednesday, April 17, at the Carlton Theatre. An official announcement of the meeting was issued yesterday, as follows:—"In accordance with Article IX of the Land Regulations, the Foreign Treaty Consuls have fixed Wednesday, April 17, at 5 p.m. as the date and time of the annual meeting of ratepayers. The meeting, which will be held in the Carlton Theatre, No. 21 Park Road, is called to devise ways and means of raising the requisite funds for municipal purposes, to pass resolutions in reference thereto, and to deliberate and decide upon other municipal matters and business. The accounts of the Council for the year ended December 31, 1934, will be submitted for the sanction and approval of the ratepayers."

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REPORT No. 13/1935 for week ending March 29, compiled by J. P. Bisset & Co. on behalf of the Shanghai Stock Exchange

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HINTS ON THE S.M.C. ELECTION

Committees Who Did Not Back Up Decisions: A Vigorous Defence of the Vested Interests

By MUNICIPAL OBSERVER

I had no vote in the Municipal Election. I am a British resident in China with a reasonable knowledge of Shanghai and a bowing acquaintance with other parts of China, as well as a deep interest in the political institutions of my own country. I cannot say that I have any material interests in the welfare of the Settlement, but, although, therefore, I can speak with some degree of detachment, I have a great admiration for the way in which Shanghai has been built up by international co-operation, to which British effort has greatly contributed.

With these preliminary personal remarks, I venture to give my impressions of the handling of the recent election. As my remarks cannot possibly affect the result one way or the other, they may be examined in a friendly and unprejudiced spirit. I have often heard British residents in China dilate comfortably on the incapacity of Orientals and others for running democratic institutions, or for showing real political sense. It seems to me that these strictures apply very forcibly to the British community in Shanghai, judging by their attitude during the election. The line taken by their spokesmen seems to have aroused considerable resentment. I need not recapitulate the considerations which led the Executive Committees to give a clear lead to the community to ensure a heavy poll and a solid vote. The answer seems to have been a direct refusal either to appreciate the force of those arguments or to remove the reproach of apathy. A spate of correspondence burst into your columns, and my feeling is that nine voters out of ten read those letters rather than attempted to study the case itself. Whether the announcement of the ticket vote on Wednesday last, stiffened the apathy, if such a paradox can be used, it is not for me to say.

Inarticulate Committees

I think that, to some extent, the members of the Executive Committees were at fault in that, having come to what I regard as a perfectly justified decision in the emergency which had arisen, they seem to have been inarticulate to a degree in supporting their views. Their action might be frivolously likened to that of timid boys who put up a notice and then run away and hope that no one thing would be responsible for it. It is true, of course, that the notice appeared every day, but it is not apparent that its signatories took normal steps to dissipate the accusations unjustly levelled against them. To be fair, it seems to me, going as I do about the various meeting places in Shanghai, that they were badly served by their prominent members of the community. Nowhere have I heard any defence of the Committees' action. Men who might in other circumstances have been in their place, and actually have served on the organizations in question, seemed to be congratulating themselves that their action was not being criticized and have given far too much encouragement to the various irrelevant excuses found for disregarding the clear call of the ticket campaign.

For example, I heard members of the National Societies argue that it was not right to use these Executive Committees for a political purpose when, nominated to the B.R.A. Committee, were representatives of the National Societies—purely charitable institutions. To have pointed out that this was a complete fallacy. As I understand it, the National Societies, all the way along, have been asked to nominate representatives to the B.R.A. Committee, and no-one can deny that the B.R.A. is a political body. It is true, as you have pointed out, that the B.R.A. has been uncertain in its attitude towards municipal affairs. It has refused, for example, to take up the question of the Rickshaw Board. On the other hand, it has taken a lively interest in such problems as the Special District Court and, I fancy, other political issues with which the Settlement is closely concerned. It has for one of its chief objects the maintenance of British interests in the Far East. Here was an issue which clearly called those interests in question. To argue that the B.R.A. was going beyond its terms of reference to intervene in this matter seems to be illogical, although I do not profess to be a lawyer, and it is surely pertinent to note that the B.R.A. before now has definitely recommended certain candidates for the consideration of the community, although it has not actually supported a ticket vote on the lines of the recent election.

A Charge of Apathy

The British community in Shanghai cannot have it both ways. They cannot complain of lack of leadership and inaction if, when their elected

representatives, holding, as it were, a definite power of attorney, attempt to lead, or take action. Even those who would probably support the ticket of the three organizations have shaken their heads to me and said:—"It ought to have been done differently. The community will not be driven; it refuses to be dragged." As I see it, the charge against the community is one of apathy. How is that apathy to be corrected if the issue is not plainly put before it by those who have good grounds for claiming a knowledge of the various factors involved?

Much lively play has been made with the suggestion that the community was being treated to a shameless piece of bluff. It was held that the ticket campaign was really inspired by the fear that certain accepted candidates were in danger of defeat. So the bogey of loss of British influence was raised to frighten the community into casting its votes in such a direction that the uneasy seats would be secured. This argument has been supported by an even more fantastic irrelevancy, in suggesting that the two so-called independent candidates were being badly treated. No one would blame those two candidates for taking advantage of the amazing perversity displayed in the correspondence columns of your paper, and in other places where gossip and suspicion seem particularly apt to flourish. There seems to be no thought given to the standing and general probity of the men elected by their organizations to form executive committees. It looks as if the community decided that its choice of members for those executives was informed by a desire to ensure the collection of the most unscrupulous and disingenuous men whom it could possibly produce. Yet I am aware that every one of these men plays an important part in the social and business life of Shanghai. It all seems to me to be extraordinarily pathetic, and if the organizations in question are wise, they will take immediate steps, now that the election is over, to prevent such a complete abdication of influence.

Vested Interests

During the controversy the cry of "vested interests" has been frequently noted. Does the community really intend to be led away by such confusion, which might carry the unthinking crowd round a Hyde Park soap-box, but is actually perverted by ignorant prejudice? Vested interests require, in any community, to be severely watched. But the whole of the prosperity of Shanghai has been built up by the work of men who have created those very vested interests, whose stability is the stability of Shanghai itself and, therefore, the guarantee of livelihood to every member of the British community who works and lives here. To carry the thing to its logical absurdity, if the five British seats on the Municipal Council were held by men who had no interest in Shanghai, who had no sort of responsibility for the conduct of any public or private institution here, could it be said that such men would be capable of forming accurate judgments on the very important matters which would come up for them to decide?

It might be argued, of course, that the Shanghai Municipal Council might be composed entirely of intellectuals versed in politics and international affairs and gloriously impartial towards any subject under the sun. They might be men of undeniable rectitude of character; they might even be so happily endowed with wealth that salaries would have no meaning for them—and yet it could hardly be argued that such men would either command the confidence of the public or actually be able to do more than leave the running of the Settlement in the hands of permanent officials. Possibly that might be Shanghai's safeguard—for one of the great tributes which the detached critic would pay to the business men who have created this International Settlement would be for their having established a permanent civil service of exceptionally high standards of efficiency and probity.

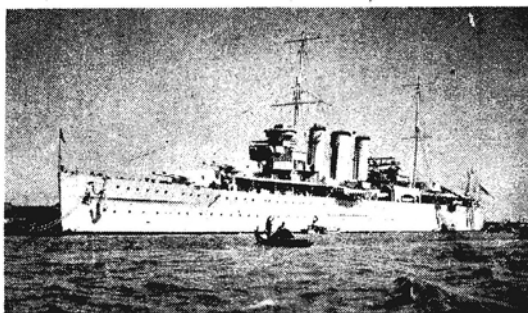
The Land Regulations

But it is not practicable to look at municipal administration apart from the Land Regulations. The Land Regulations require representative membership of the Council in order to direct its policy. If the British community stand by their inaction, as revealed in the small poll recorded this year—and recorded deliberately in the teeth of overwhelming arguments—then it must not complain if, before long, another community decides to take charge here.

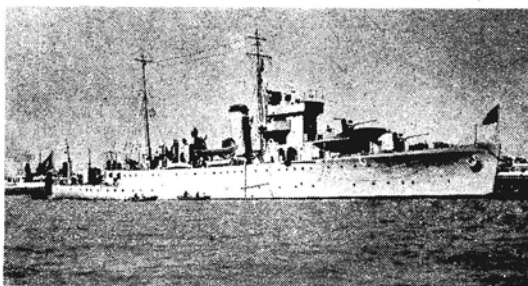
Personally, I do not believe that the community is quite so foolish;

NAVAL VISITORS TO SHANGHAI

"N.-C. Herald" Photos.



H.M.S. Suffolk which is replacing H.M.S. Adventure.



"Battleship Row" off the Bund was transformed by the arrival of two warships on Monday, one being a newcomer to Shanghai. Above is H.M.S. Suffolk which, it is reported, will carry the Chinese art treasures to London for the Burlington House exhibition. Below is the Portuguese vessel Goncalves Zarco, which is making her first visit to Shanghai.

WEDDINGS

Emmerich-Dunn

The wedding of Mr. William Emmerich and Miss Daisy Constance Dunn took place on Tuesday, Mar. 26, at the German Church, the Rev. Ewald Krueger performing the ceremony. The service was preceded by a civil ceremony at the German Consulate-General, before Mr. H. Gaetjen.

The bridegroom is the son of the late Mr. Frederick Wilhelm Emmerich and Mrs. Emmerich of Kreutznach, Germany. The bride is the daughter of the late Mr. Walter Dunn and Mrs. Dunn of Shanghai.

The bride, who was given away by Mr. William Van Buskirk, was attended by Miss Nellie Dunn and the two bridesmaids, Miss Hilda Barrett and Miss Amy Jesselson. The duties of best man were carried out by Mr. H. B. Trevelyan. The honeymoon will be spent in Hangchow.

Richards-Pett

The wedding of Miss Joyce Victoria Pett and Mr. Robert Noel Richards took place on Saturday afternoon at Holy Trinity Cathedral, the Very Rev. A. C. S. Trivett officiating.

Both bride and bridegroom are members of well known Shanghai families. Mr. Richards is the only son of Mr. and Mrs. C. Richards of Shanghai and his bride is the only daughter of Mr. M. W. and the late Mrs. Pett, also of this city.

The bride, who was given away by Captain J. G. Dyson of the Shanghai Fire Brigade, acting for her father, who was present but physically unable to take part in the ceremony; she was attended by Mrs. C. Richards, the mother of the bridegroom, as matron of honour, and Miss Ada Komaroff and Miss Lorraine Habcock as bridesmaids.

Mr. L. Stokes acted as best man and the duties of ushers were carried out by Mr. N. J. Palmer and Mr. H. S. McComb.

The bride and bridegroom left the church beneath the crossed axes of a guard of honour formed by senior Chinese members of the Shanghai Fire Brigade, under the escort of Assistant Station Officer T. H. Dixon. Nearly all these firemen had served under Mr. Pett many years ago, when he was Chief Officer of the Brigade.

Although that belief shrivels painfully when the tenor of this week's controversy is reviewed. The attitude of the community seems to have been that of a company of marksmen called upon to fire at the target in front of them, and deliberately wasting their ammunition on the number at the top of the butts.

Whether these observations will be helpful, to Shanghai or to the community, I do not know. But they are set down in the entirely disinterested spirit with the object of bringing clearly into focus the real significance of this curious election tragedy.

SS. CORFU LUNCHEON PARTY

PARTY

More than 80 members of the British Schools and Universities Luncheon Club had an opportunity of inspecting the luxuriously furnished interior of the P. & O. ss. Corfu on Monday, Mar. 25, when they were entertained on board at a tiffin given by Messrs. Mackinnon, Mackenzie & Co., agents for the P. & O. S. N. Co.

Among the guests invited to the luncheon were:

Mr. Z. U. Kwauk, Mr. W. S. King, Judge Mossop, Mr. Z. C. Chen, Mr. P. K. Chen, Mr. H. Porter, Mr. T. K. Tseng, Dr. C. L. Hsia, Mr. H. V. Wilkinson, Mr. A. H. George, Dr. Wu Lien-teh, Mr. C. Q. Lim, Mr. H. Reynell, Mr. C. G. Robson, Mr. Sheng Z. Wang, Mr. Y. C. Lee, Mr. E. Haward, Major Bourne, Mr. S. Y. Woo, Mr. C. C. Woo, Mr. J. R. Jones, Mr. E. B. Macanaghten, Mr. H. Y. Leo, Mr. H. N. Steptoe, Mr. W. P. Cheung, Mr. S. P. Sze, Mr. W. C. Cussels, Mr. G. S. Sze, Dr. S. Sze, Mr. F. H. Shaw, Mr. N. G. Beale, Mr. Z. On, Mr. Z. D. Woo, Mr. G. A. Haley, Mr. E. S. K. Hotung, Mr. K. Y. R. Wang, Mr. Sung Che-wen, Mr. Sun Pang-tao, Mr. W. J. Hawkins, Mr. M. W. Stranck, Mr. S. K. Chow, Dr. A. S. Wong, Mr. E. M. P. Williams, Mr. H. Braham, Mr. Lam Tsz-fung, Mr. H. W. Chen, Capt. Hayward, Major Ainger, Mr. B. A. MacDonald, Mr. Tang Liang-li, Mr. T. P. Wong, Mr. V. St. J. Killery, Mr. J. L. Brown, Mr. C. Y. Tso, Mr. J. J. Poan, Dean Trivett, Mr. H. K. Peters, Dr. M. B. Seng, Mr. R. P. Bawn, Mr. T. C. Chu, Mr. L. H. Liu, Mr. H. E. Wright, Mr. J. W. Dexter, Mr. P. C. Wong, Mr. T. S. Chang, Mr. J. A. Turner, Mr. A. O. Whitehouse, Dr. M. Wong, Mr. J. M. Tan, Mr. D. Fraser, Mr. H. C. Patrick, Mr. N. F. Kelsey, Mr. K. C. Weigh, Mr. Z. N. Lee, Mr. G. G. Phillips, Mr. H. G. Woodhead, Mr. Y. Wang, Mr. J. Seng, and Mr. J. C. Walters.

RECEPTION AT THE R.A.S. TO ART EXPERTS

More than 300 attended a reception on Thursday by the Royal Asiatic Society for members of the commission of art experts sent here to select Chinese treasures for exhibition in London during the coming winter. Throughout the reception hour, Sir Percival David, Prof. Paul Pelliot, Mr. Robert Lockhart Hobson, and Mr. George Eumorphopoulos greeted scores of Shanghai people prominent in official, cultural, and social circles. Behind them hung a magnificent landscape painting of the Yuan Dynasty done in the style of Ko Chi, and owned by Mr. E. A. Strelnieck.

Among those noted at the reception were:—Dr. and Mrs. F. L. Hawks Pott, Dr. Esson M. Gale, Mrs. Florence Aysoough, Mr. H. G. W. Woodhead, Baroness Ungern Sternberg, Mr. and Mrs. Eric Clarke, Dr. Arturo de Carvalho, Mr. P. K. Chu, Mr. H. K. Murphy, Mr. and Mrs. A. de C. So-werby, Dr. and Mrs. F. A. S. Cleveland, Mrs. Morgan Day, Dr. and Mrs. Evan Morgan, Dr. Wu Lien-teh, Mr. and Mrs. A. J. Hughes, Mr. J. R. L. Calder, Mrs. H. M. Childs, Mrs. S. S. Beith, Mr. J. S. Lewis, and Mr. and Mrs. E. H. Cressy.

Flutist Weather Prophet

Predictions Wrong for Once

In the Western District there is a flute player with a weather ear, or some equally mysterious sense which leads him to choose his tunes with the air of a weather prophet. Whenever Shanghai is due for fair weather, his melodies played in true Chinese fashion, resound with gaiety. Spring, unseasonable as it proved to be this year, was heralded by a bright tune. The rainy spell was heralded by doleful airs that dragged on, as monotonously as the spattering of the rain that followed them. Last summer, depressing heat was heralded by depressing wails that went on far into the night, while the sharp bite of northeast winds is usually presaged by a harsh whine like the shrill of the Banshee.

On Saturday night, the flutist and Siccawei were both wrong. Siccawei's weather forecast, those who have learned to listen to the plaint of the flutist carefully drew forth mackintoshes and rubber shoes, cast an eye at the weather-man's report, reflected that April 1 was still 48 hours away, and prepared for more depressing drizzle. Yesterday dawned bright and fair—and none knows whether the flutist played a premature joke, or whether Siccawei did likewise.

At any rate, Shanghai's weather eye, peered for bad weather, was permitted a glimpse of spring loveliness. The city's parks boasted hundreds of strollers, and even the most pessimistic indulged in optimistic predictions for good days ahead. Such is the power of sunshine.

A. D. C. CLUB NIGHT

Evidently feeling that the innovations of last month's Club Night were worthy of perpetuation, the members of the Amateur Dramatic Club flocked again on Thursday night in the auditorium of the Lyceum Theatre for their March meeting, instead of in the rehearsal room, as has been the custom in the past. A series of sketches and one-act plays, interspersed with selections from Gilbert and Sullivan operas, was presented by members to the Club and their friends.

Mr. E. G. Smith-Wright, whose portrait by Sapajou adorned the front of the programme, addressed the company as chairman. He drew attention to the reason for the enlarged Club Night, and asked for the support of any in the audience who felt the desire to help in future productions, either as members of a cast or in other capacities. His remarks, while humorous in tone, had a serious motive. He suggested that the aim of the A.D.C. was to make Shanghai more theatre-minded, so that a public now chiefly interested in talkies might come to prefer seeing flesh and blood actors "miss their cues and fumble their lines" on the legitimate stage.

The unofficial minutes of the last meeting were read by Mr. Riddell, whose monologue and accent made up for the lack of specific information and convulsed the audience. The gist of his report was that every aspect of February's meeting was simply "dandy".

The sketches included "The Lion Tamer," "The Cure," "The Unforgivable," "Relativity," "Television," and a Dance Scene. Mr. John Cannan was responsible for the arrangement of the programme and its production. The dance was arranged by Carol Bate-man. The feeling of the members and their guests was that the use of the main auditorium and stage added much interest and enjoyment to this now established feature of the A.D.C. programme.—M.F.

CHINESE BOOKS FOR PUBLIC LIBRARY

The Public Library, in the Kelly & Welsh Building, already contains 3,800 volumes of Chinese classics, and the Library Committee has taken steps to acquire more Chinese books during the current year.

The Committee decided to include in the estimates for 1935 an appropriation of \$225 for the purchase of modern Chinese books, and to request the Public Works Department to exhibit a sign in Chinese characters at the street entrance to the Library as a guide to Chinese readers who may wish to use it.

OBITUARIES AND FUNERALS

Mr. H. P. Wilkinson

The death of Mr. Hiram Parkes Wilkinson, K.C., M.A., B.C.L. OXON. at the age of 69, occurred on Monday morning at the Country Hospital, following a brief illness of double pneumonia.

Mr. Wilkinson was a distinguished member of an old Far Eastern family, his father, Sir Hiram Wilkinson, being at one time both Crown Advocate and later Chief Justice



The Late Mr. H. P. Wilkinson

his first cases on taking up law practice in this part of the world. A vivid description of his experiences far up the Amur, in a project called the Desmond Telegraph Agency, which later proved of no value due to an agreement between the Chinese Government and the Great Northern Telegraph Co., shows that his life was far from the average round of a practising lawyer.

An able writer, several publications of his are well remembered, these including "Exogamy in China" (Journal R.A.S., China Branch, 1921); "Chinese Family Nomenclature" (New China Review, June 1921); and the "Family in Classical China" published in 1928.

He was a member of St. Patrick's Society, the Shanghai Club, and other clubs here, the Athenaeum, and the Ulster in Belfast, and the Northern Counties in Derry.

He is survived by Mrs. Wilkinson and a daughter.

Mr. F. W. Sutterle

One of Shanghai's best known business men and a leader in the American community, Mr. Frederick William Sutterle, President of the China Realty Company, Fed. Inc., U. S. A., died on Tuesday, Mar. 26, at his home, 52 Rue Massenet, after a prolonged illness. Members of his immediate family were with him when death occurred shortly after 1 p.m. Although Mr. Sutterle was known to have been seriously ill for the past few weeks, news of his death, nevertheless, came as a great shock to his wide circle of friends.

In failing health for the past few years, Mr. Sutterle made several trips to Manila and Honolulu in an effort to recover it, but despite his failure, continued to hope until a few days ago when his condition became aggravated. Unwilling to give up his duties at the China Realty Company, Mr. Sutterle carried on his work at office until about three weeks ago



The late Mr. Sutterle

when his health forced him to take to his bed.

Born in Philadelphia, Pa., August 14, 1860, he took an active interest in politics in his youth, at one time serving as Captain of the Volunteer Company, and later as Colonel on the staff of the Governor of Pennsylvania. In 1879 he married the late Abigail Atkinson Tallman, and came to China in 1897.

Here he was connected with the Guggenheim interests and did several investigations of mining properties for his employers in the interior. He later joined the China Realty Company, and has served as its president for the past 13 years. He was also a director of the San Sing Properties, the Dominion Rubber Company, the Chenor United Rubber Company, Le Champs de Course Francais, and the China Realty Company.

Well-known in racing circles, Mr. Sutterle raced ponies for years under the name of "Sands Stables" and "Elrettus." He was likewise actively interested in local charities and a keen supporter of the Salvation Army and its work locally. His personality and popularity made him one of the moving spirits when the American Club was organized and earned for him the office of president when the first elections were held. He was also a member of the Shanghai Race Club, the Cercle Sportif Francaise and the Columbia Country Club.

He is survived, besides his son, Frederick William Sutterle, Jr., by three grandchildren, Frederick William Sutterle, III, Forrest E. Sutterle, and Mrs. R. Holbrook, all of Shanghai.

In the presence of many relatives and friends, the remains were laid to rest on Thursday afternoon in the family mausoleum in the Bubbling Well Cemetery. The funeral service was conducted by Mr. George A. Fitch and Major William Darby in the Chapel, while Mr. Fitch pronounced the Benediction at the mausoleum. The bronze casket was carried to the mausoleum by Messrs. A. Loomis, M. Speelman, A. O. Fisher, T. H. Suffer,

M. Nicholson, R. H. Parker, J. E. Swan, G. Mark, B. Moss, and W. A. Adams.

Mr. Shih Ching-Yang

Funeral services for Mr. Shih Ching-yang, former head of the Mongolian and Tibetan Affairs Commission, who died here on Monday, Mar. 25, of tuberculosis, will be held on April 8. Aged 57, Mr. Shih is survived by his wife, seven sons and two daughters.

A funeral service was held in the China Funeral Directors' parlour on Thursday at noon, when the remains were encoffined. Gen. Wu Te-chue, Mayor of Shanghai, and representatives of high Government officials paid respects. The late chairman was accorded the posthumous title of full general. The Government is also to set aside \$20,000 as educational expenses for his children.

Mr. Leonillo L. Lopes

A funeral service was held last Wednesday, in the Hung-jao Road Cemetery for the late Leonillo Leonel Lopes, with the Rev. Father F. X. Farmer officiating. Mr. Lopes was one of the oldest members of the Portuguese community, having reached his 72nd year. The casket was carried to the graveside by Messrs. C. Sanchez, J. Siquiera, C. M. Sequeira, A. Lemos, D. Soares, and M. R. Pereira.

Mr. F. X. B. Gutierrez

Funeral services for the late Mr. Francisco Xavier Baretto Gutierrez were held on Sunday afternoon in the Bubbling Well Cemetery with the Rev. Father Kearney officiating. Mr. Gutierrez passed away on Friday at his residence, 45/14 Great Western Road after a short illness. A Requiem Mass was held at St. Aloysius Church on Saturday morning at 7.30 where Father Kearney also officiated.

PERSONAL NOTES

Mr. John S. Littell, U.S. Consul at Mexico City, will come to Shanghai to serve as Consul here in the U.S. Consulate-General.

Miss Audrey Macnaghten left for home on Sunday via Siberia, and is staying with friends at Tientsin and Peking on route.

Dr. Oscar P. Trautman, German Minister to China, and Frau Trautman, left for Japan on Saturday morning in the ss. Nagasaki Maru.

Mr. N. Aall, Norwegian Charge d'Affaires in China, returned here from his trip South on Monday, Mar. 25, in the Dollar ss. President Hoover.

Sir John and Lady Brennan were hosts at tiffin on Friday in honour of Sir Julien and Lady Cahn who arrived in the ss. Empress of Britain yesterday.

Mr. W. J. R. Thorbecke, the Netherlands Minister to China, left Peking on Thursday night for Mukden by train, on his way to Holland on home leave.

Mr. I. Oshima, assistant manager of the Singapore Branch of the Yokohama Specie Bank, has been transferred to the Shanghai branch in similar capacity, and Mr. N. Kawamura, assistant manager of the Shanghai branch, has been appointed manager of the Harbin office.

Mr. O. G. Steen, General Manager for the Far East of the Robert Dollar Co., accompanied by Mrs. Steen, sailed for Japan in the Dollar President Hoover to meet Mr. and Mrs. J. Harold Dollar, their daughter Virginia, and a close friend, Mrs. Anna Newall, who are en route to the Far East in the President Coolidge.

Dr. Julius Dorpmueller has been re-elected for the fourth time to the post of general manager of the German railway system for another term of three years. Dr. Dorpmueller formerly was a resident of Tientsin, where he was in the service of the Peking-Tientsin Railway. He has been general manager of the German railways since 1926.

Mr. J. A. Ritchie, who has today been admitted as a partner in the firm of Palmer and Turner is a young architect of twenty-eight years of age and the son of Mr. and Mrs. W. W. Ritchie of Nanking. It is understood that Mr. Ritchie remains in Hongkong where he has been engaged in supervising the construction of the Hongkong and Shanghai Banking Corporation's new building.

The American Economic Mission party, due to arrive in the Dollar ss. President Coolidge from San Francisco on April 8, include—Mr. W. Cameron Forbes, chairman, formerly U.S. Ambassador to Japan and Governor-General of the Philippine Islands; Mr. T. V. Wickham, member of the Chicago Board of Trade, accompanied by Mrs. Wickham; Mr. G. Ellsworth Huggins, Director of the China Society, accompanied by Mrs. Huggins; Mr. John B. Chevalier, Director of the American Importers and Traders Council; Professor C. F.

LETTERS TO THE EDITOR

MUNICIPAL ELECTION

Mr. Barr's Views

To the Editor of the

"NORTH-CHINA DAILY NEWS"

SIR,—I wish to register an adverse comment on the article by "MUNICIPAL OBSERVER." He speaks "with some degree of detachment," but it seems to me that what is required are not generalities but particular facts. I am a British voting ratepayer who has lived and worked in this Settlement for the last ten years. The fact that I have lived and worked in the Settlement—as distinct from some of our Councillors who do not live in the Settlement—means that I have had considerable experience of actual dealings with the S.M.C. and its officials. Hence from actual experience, I have had cause—on occasion—to be dissatisfied with our local administration, and here lies the difference between myself and "MUNICIPAL OBSERVER" plus Mr. Arnold. I do have a high regard for, and appreciation of our S.M.C., and its many officials. They have a difficult task, and they have done many a good job. But—and this is the point—I cannot subscribe to the theory that they are perfect. Mr. Arnold and "MUNICIPAL OBSERVER" and their fellows seem to imply—"The S.M.C. administration is 100 per cent. perfect. We say so." My attitude is that I can agree that it is 85 per cent. perfect, but my actual experience tells me that not 100 per cent. of the Councillors and S.M.C. officials are possessed of an infallible efficiency and probity. I live in Hongkew. How many of our Councillors live or work in Hongkew, or know about its conditions? My environment is still polluted, sometimes, by the smoke from the S.M.C. incinerator.

Now what follows? The only candidate in recent years who stood for the interests of the small man—namely, Mr. E. F. Harris—was near the head of last year's poll. Just before last year's election, Mr. Arnold made a slighting reference to the small man's interests at the meeting of the Bus Company. Mr. Arnold's votes are now not so numerous.

At this point, may I refer again to what I consider is a fallacy in the argument of "MUNICIPAL OBSERVER"? If a conservative government consistently pays no heed to the temperate demands of "moderates," a moderate ratepayer probably will thus be driven to becoming apathetic or becoming an extremist. "Municipal Observer," in defence of vested interests, rhetorically exaggerates on the other side and declaims—"The Shanghai Municipal Council might be composed entirely of Intellectuals." I am a moderate. I, and many others, do not at all desire a Council composed entirely of intellectuals. But, we have not been convinced that a Council composed of taipans inevitably means a Council of supermen and angels. This latter fact, in my opinion, explains why Mr. Franklin polled so many

votes. In his election statement he was frank enough to blame the Council (in his reference to the Rickshaw question.)

I am a British ratepayer with a vote. All that I received from the bodies who advocated the ticket was a five-line circular! Until approximately 24 hours before the opening of the poll, I did not know the views of all the British candidates. (I may here say that when the first letter of protest from "MAXIMON" appeared, a British friend of mine, who has been a resident for many years, said: "That represents the views of the majority of British residents". Let us not forget that amongst the Settlement ratepayers there are quite a few who are neither British nor Japanese. How many of these were attracted to vote for the British ticket? I know quite a few who were not favourably impressed.)

Last spring there was a Western gentleman here studying our local system of government. His opinion was that the S.M.C. was not as good an institution as it might be, because it apparently did not live up to what should be the fundamental aim of government, namely, the service of the community. At our last ratepayers' meeting, Mr. Bell drew our attention towards remembering the interests of the vast numbers of residents who hold no vote and hence have no means of expressing their opinion in Municipal matters. A critic to-day draws attention to the affairs of the Tramway Company. Why doesn't the Tramway Co. have clean trams and employ honest inspectors and conductors who can check the squeezing so that revenue will not be lost, thereby causing an increase in fares? "MUNICIPAL OBSERVER" says: "Vested interests require, in any community, to be carefully watched." So, the vested interests of our Rickshaw owners have been so carefully watched by our Councillors that the rickshaw coolie as yet sees little benefit and the man who sits in a public rickshaw can still find few new vehicles. If our taipans used the humble rickshaw, progress in this reform undoubtedly would have been quicker.

Lastly "MUNICIPAL OBSERVER" said: "The Land Regulations require representative membership of the Council in order to direct its policy. Yes, but is our present membership representative? Mr. Harold Porter alone of the candidates pleaded for a larger Council. If the reply is given that we cannot change the Land Regulations at present, my retort is: are our present Councillors hoping and planning (to maintain the status quo of the composition of the Council for the next twenty years, or otherwise?"

1. Let us have a larger Council, vide Mr. Porter.

2. Let us have a more representative Council, so that the interests of the small man may be more adequately cared for.

3. Let the British leaders have the intelligence and the foresight to give more information to their moderate followers who are merely asking for a little more democracy and a little more publicity.

JOHN. S. BARR.

Shanghai, Mar. 28.

Japanese Statement

To the Editor of the

"NORTH-CHINA DAILY NEWS"

SIR,—Now that the Municipal Election is over, may I ask you for a space in your valuable columns? We have noted during the election just closed, unusual references in the press to an alleged "convention" or "gentlemen's agreement" allotting the American community two seats, the British five, and the Japanese two, on the Council. Personally, I am not aware of the existence of any such convention or agreement. A wide inquiry in the Japanese community has not elicited the contrary.

I feel that my position is endorsed by what has already transpired in the past in view of the fact that councillors of the nationalities other than American, British and Japanese have served on the S.M.C. and in view of the added fact that three years ago three American candidates stood for election without any charges against them intending to break the alleged "convention" or "gentlemen's agreement."

We should have made this understanding, on the part of our people, clear earlier. But we have waited purposely to this date as we realized that there was a peculiar election situation this year in the British community and did not care even to appear, much less place ourselves, in the position, in any way, of giving publicity to information which might be interpreted either as favourable or unfavourable to any of the British candidates.

M. AMANO, Chairman,
Japanese Community Election Committee
Shanghai, Mar. 27.

Romer, of the University of Michigan; Mr. C. J. Carroll, Engineer-in-Chief of the Hukung Railway; Mr. Frederick V. Field, member of the Institute of Pacific Relations; Dr. C. L. Alsberg, Professor of Stanford University; Mr. L. W. Rogers, Mr. A. J. Clancy, Mrs. R. C. Redmayne, and Mr. and Mrs. J. Harold Dollar, while, joining the Coolidge at Honolulu, will be Mr. and Mrs. Dillingham and Mr. and Mrs. Julian Street.

Interest in American trade development in the Orient was emphasized at a tiffin given on Thursday at the American Club by the Shanghai American Chamber of Commerce to members of the Los Angeles Chamber of Commerce now touring the Far East. This interest, particularly as it is evidenced on the West Coast of the United States, was especially discussed by Mr. W. I. Hollingsworth, 1st Vice-President of the Los Angeles Chamber of Commerce, who concluded his remarks with a comment on the importance of a new American government building here, and promised to do all in his power towards that goal.

H.M. MINISTER ARRIVES

Sir Alexander Cadogan, H.M. Minister to China, arrived in Shanghai just before midnight on Monday night by express train from Nanking. With his staff he proceeded immediately to the Cathay Hotel, where he will stay during his visit to this city.

It is learned that, by a fortunate coincidence, Sir Alexander's sister, Lady Sophie Scott, will be arriving in Shanghai in a few days, while the Minister is here. Lady Sophie Scott is the wife of Sir Samuel Scott, for some time Member of Parliament.

HIGH SHANGHAI RENTS Need for Inquiry

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—To the residents of Shanghai the high rent issue is vital. Official and municipal authorities are silent on the subject and sufficient attention is not paid to it in the Press. Yet the situation must be known and many in responsible positions are believed to be sympathetic with their employees as they naturally must be. They are not able to speak out because of the interlocking effect of interests here. And employees have to mind their step, especially in these hard days when bread and butter is definitely bread and butter.

Times are not likely to improve for the foreigner. The standard of living must come down, if only because of Russian and Japanese competition. Even taipans are economizing—perhaps, in some cases, more than their salaried staffs. Professionals suffer from unpaid bills for services rendered. The Shanghai Municipal Council may have to embark on another economy campaign. Without being pessimistic over the future of Shanghai, we should, I think, realize that the "good old days" have gone for the time being, at any rate. Very few people in future will be able to pay \$100 a month rent and balance their budgets.

The only reason for living in a congested Settlement has been lack of safety and want of public utility services. Fortunately these factors are becoming less of a boon to landlords yearly. And a good thing, too, for they have been unduly exploited during the last twenty years. Land companies should be able to build modern houses outside the Settlement on cheap land and charge a rent within the means of the average purse. This alone would force Settlement landlords to change their policy of preferring to have empty houses sooner than reduce rentals all round. At the moment the vicious circle is this: people in \$400 houses are looking for \$250 houses the present tenants of which are looking for \$150 houses and so on, until you find the inhabitant of the \$100 house or flat moving into a boarding house. Boarding houses are prospering at the moment. They are the last resort. If foreigners intend to make a living in Shanghai, they have to do it against increased competition from other nationalities, whose standards of living may, in time, move upwards. In the distant future prices which have been paid for property in the last five years may be justified but it is going to be a long time before present owners, who bought at boom prices, get a reasonable return on their money. This is partly because they have purchased on the values of land judged by criteria of New York, London, Paris, Liverpool, Buenos Aires and Tokyo, forgetting the standard of living factor and the poverty of the masses here. Last values in Canton, or Osaka would have been better taken as samples.

It seems to me that this is a time for plain speaking. I am for this purpose dealing only with the foreigner's case. I do not want to be taken to overlook the housing problem for industrial workers, to which you have referred. I merely desire to concentrate on one aspect of high rents with which I feel better able to deal. I enclose my card from which you will agree that I am justified in signing myself.

TAIPAN.

Shanghai, Mar. 30.

Complementary Economy

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—TAIPAN'S letter to-day prompts me to set down in quite plain terms a few things that I think should be stated in public.

There are other things than house rents that should come down. The majority of non-Russian foreigners in Shanghai live in a manner they would not attempt to do in their home lands. This statement may be growing grey with time, but it was never so true as to-day. Newspapers daily give such prominence to our mad social whirl as to stimulate extravagance and display. Few people, young or old, are content with "a quiet evening" in a home, although many would enjoy same if they were not such empty echoes of others. If friends are invited to the evening meal, whether partaken at home or outside, there is disappointment if it is not followed by "a show" and dancing at a third place until closing time. If such events were occasional, none could fairly complain; they are the rule these days. One "must" go to places in order to keep "in the swim"—bad for business, you know, if you become a "recluse," i.e., according to the majority to-day, a person who, while enjoying the company of friends, is not prepared to attract acquaintances by "throwing" cocktail and other parties that not only make him unfit for the next day's work but run away with money he

can ill afford or could better employ. Already "taipans" are beginning to take serious note of the men and women who arrive at office tired from over-night revelry. Juniors will do well to remember that there is plenty of excuse these days, without providing others for "letting out" employees.

Shanghai foreigners who have to make a living sooner or later will be brought to realize that work must be their first consideration, not play and dissipation. Those who are willing to work will get and hold the jobs; the remainder will be compelled to go, accompanied by little else than regrets.

Perhaps on perusal of my card you will allow me to sign this letter

ALSO A TAIPAN.

Shanghai, Apr. 1.

S.M.C.'s Position

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—Mr. Chang Chia-ngau's statement that "rents must be related to the purchasing power of the community so that houses may be occupied and rents may be paid" is one of the soundest of many in the keen analysis of the financial situation in the annual report of the Bank of China. The question of housing, of which rental charge is the crux, is one which is becoming a major question in Shanghai.

This is evidenced by the announcement of the formation of a "People's Welfare Planning Committee" by the City Government on which eighteen Chinese and eleven foreigners have been invited to sit. One of its first projects is reported to be the development of housing at low rental rates. The capital which it is reported is planned to be at the disposal of the Committee is three million dollars, one half of which is stated to be already available and the other half is to be raised by the Committee. Whatever may be thought of the unusual relation of a Public Utility Company lending to its supposed supervisors a large sum of money, is here not developed. But the "People's Welfare Planning Committee" would seem to be an interesting combination of authorities and a semi-public organization, of which latter type there are many successful examples in England to-day concerned with the housing question. What are known as "Public Utility Housing Associations" are formed with the avowed object of assisting in the national problem of providing adequate housing at reasonable rentals. On the Boards of these organizations sit men of experience and business ability who give their directors' services without monetary reward, and lend the confidence engendered by their names to the Association's borrowings. Conservative investors and those interested in doing something beyond merely drawing large dividends lend their money at moderate interest rates, and the Association proceeds to the building of new houses or the alteration of old ones, and the subsequent competent management and supervision of its endeavours. The Moyes Report recently presented to Parliament gives credit to the Public Utility Housing Associations as having remarkably assisted the Government in its housing programme.

The invitation of the City Government, then, to men of affairs to be concerned with the housing question in Shanghai brings thus into the picture the assistance of these men in the same way as business men in England assist in the Public Utility Housing Associations.

Looking to the future it may well be that at no distant date there will be moderately priced and suitable housing in Chinese administered areas which will make comparison with what is available in the Settlement for the same money seem mean and sordid. Then what "TAIPAN" in your issue of to-day says concerning foreign housing will be true also for Chinese housing: when it becomes no longer useful for large numbers to live in the Settlement landlords will have to reduce their rentals. I am in agreement also with "VOICE OF SHANGHAI". How can anyone say Shanghai is overbuilt when the situation ruling in the housing of Chinese people is considered? How many families were there in the house in Elgin Road where 15 or 16 people were burnt to death out of the 28 or so inhabitants of an ordinary Chinese residence? If I remember rightly there were seven families. Does the Chairman of the Shanghai Landowners' Association imagine that Chinese people are to be so miserably housed or lofts where they cannot stand up? Would they not spread out if they could afford the rents?

Up till now the rising values of Settlement land have made it worth while to pull down older houses and replace them with newer, and dearer—residences. The only value of this has been that some of the worst areas have thereby disappeared; housing has not been made an easier problem thereby for the people. But the time may well come and indeed would seem to be coming—when the old factors of greater safety in the

Settlement will cease to operate as fully as before, and, if transportation facilities became better, to "live outside" may become more desirable than to live "inside". When it becomes no longer profitable to remove old houses the Settlement will descend still further toward slumdom in much of its Chinese housing.

Are we to wait for the hand of time inexorably to bring this situation to pass? Or will the authorities of the Settlement become concerned now as those of the City Government have shown themselves concerned, with studying their housing problem and how to meet it? What wage rates are ruling to-day in the various communities? And what rental rates? What proportion is there between the two? What amenities accompany rent paying? What about the point a correspondent in your columns raised last week—what proportion of the population can afford to pay for water for modern plumbing while the Waterworks Company pays so high dividends?

The authorities of the Settlement have permitted private enterprise to be the chief factor in the housing which has been erected in the Settlement. In the absence of prescribed authority in the Land Regulations (vide Mr. A. D. Bell's answer to Mr. A. W. Beaumont at the last annual meeting of Ratepayers) the Council has never faced the economic implications—and the social ones—of its housing. It has not thought to require, in the absence of ability to use public funds for the erection of reasonable housing as any sovereign government could do, what steps could be taken. Public Utility Housing Associations could well have been stimulated by the Municipal Council. But landowning interests have been well represented on that body and it is probable that the majority of the City Fathers have never thought how it would be possible to approach the housing problem constructively. If they have they have said "But this is an Oriental city; it is impossible to do here what has been done elsewhere. It is natural for it to be crowded to capacity". But now the City Government has given a lead. Will the authorities of the foreign areas follow? If they do not, their last state will certainly be worse than their first.

Shanghai, April 1.

RESIDENT.

UTILITY DIVIDENDS

Some Examples

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—While discussion has been centering in recent days about proposed increases in the rates chargeable by one Public Utility Company, the seemingly very large dividend which was recently announced by another has not been drawn to public attention. In a period of depression, when few enterprises have managed to pay dividends at all, a return of 13 per cent. for 1934 by the Tramway Company is somewhat staggering. If I remember correctly the Council regarded as one of its achievements for 1934 that it was able to secure a reduction of 20 per cent. in the water rates. To others looking on it would seem that on the original application to the Council for fixing of rates by the Waterworks Company there must have been miscalculation. While it is not possible for the public to know all the factors one would think it would be possible to forecast somewhat more accurately than apparently was done. When, at intervals, the Tramway Company similarly applies to the Council for revision in fares chargeable, (usually upward) is the application based on the hope of the Company to pay 13 per cent? The necessity for reducing rates on the part of one Public Utility Company, and the payment of 13 per cent. on the part of another would seem to support your contention that less haste in giving to the Telephone Company permission to raise its rates by 12½ per cent., as advocated by the "North-China Daily News", is sound.

And is 13 per cent. a legitimate return for a Public Utility Company? By its nature it has a monopoly. It should be content therefore with a fixed return. If the Telephone Company is having to "content" itself with 10 per cent. (save the mark!), why not limit the Tramways Company? But why not limit both to something like returns which customers have to content themselves with these days.

Shanghai, Mar. 23.

Cheap Services Required

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—"CRITIC" might well have added to his reflection upon the earnings of public utility companies that the Waterworks Company, even after reduction in rates in the early part of 1934, managed to return 9 per cent. Shanghai can never hope to be anything more than a large slum until amenities

rendered essential by congestion in large cities are universally available. The income of a large proportion of the population of this city is not enough to permit the consumption of water in modern toilet facilities, which would be added to rent charges. Hence the ancient and insanitary methods of disposal for which this city is adversely known abroad will continue so long as we consider it justifiable for a public utility company which supplies water to make so large a dividend. Possessing monopoly, as "CRITIC" points out, public utility companies who hold out hope of a much lower percentage return would find sufficient subscribers to capital stock and debt issues. Did not the Shanghai Power Company get all it wanted for its 6 per cent. issues? The present tight position may seem to belie this argument somewhat but money was easy last year and will be easy again. Smaller and comparatively certain returns alike in good and less good times would attract the conservative type of investor.

The essential is for the utility company to be really a utility, with the consistent aim of provision of services as cheap as possible.

Further upon the Tramway 13 per cent, I, too, considered this *vis-à-vis* the antiquated equipment which continues to clutter up the city streets and congest the traffic with lumbering slow movement. I am aware that the present franchise expires in 1940. But transport is essential after that date and it would seem to be the part of wisdom for the authorities to enter now into interim negotiations and ensure sufficient promise of continuity to have part of the present profits used in replacement of ancient vintage cars, not in lining the pockets of present investors on the excuse of possible future uncertainties.

I, myself, am looking forward to the Annual Meeting of the Bus Company to see what dividend that public utility will pay. The close interlock of personnel in the Tramway Company and the Bus Company directorates makes the question of the returns of both these enterprises of interest to the public.

Shanghai, Mar. 28.

"OBSERVER."

THE DAVIDOFF'S CASE

More Questions

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—On March 26 you published a letter signed by "A RUSSIAN TAXPAYER" and relating to the most mysterious case of Davidoff's alleged kidnapping. This letter being only one more link in the long chain of articles and letters published in various local papers on the subject, would you allow me to add a next link to same?

The writer of the above letter, a Shanghai taxpayer, very politely expressed his hope, that the International Municipal Authorities would investigate the very strange case of Davidoff's alleged kidnapping and incarceration in the Soviet Consulate, in order to quieten the over-excited feelings of the local Russian Community.

Three days have passed since, but no news has emerged yet in connection with the above case. It is quite understandable that the French Police try to simply drive away from this "most unpleasant affair," as the alleged crime fortunately did not occur in the French Concession, and declare that they have nothing to do with Davidoff's case. But the position of the International Police is quite a different one, as according to all the evidence, the alleged crime happened in the International Settlement, on Yuenching Road.

If a similar kidnapping should happen to a member of any other foreign community of Shanghai, would the S.M.C. Police maintain the same inactivity and also pretend to be absolutely ignorant? Or is the S.M.C. not at all interested in the 20,000 local Russian residents and taxpayers—except, of course, in case of a poll, when every vote, even Russian, does count and when everybody promises the Russians their most cordial assistance and protections?

It is generally believed that it is too late now and that the unfortunate Davidoff was brought back already on board of the Soviet steamer "Sever" in order to be repatriated, tried and eventually to meet the death sentence for his daring.

But if, on the contrary, Davidoff is a good and loyal Soviet citizen, as the U.S.S.R. Consulate allegedly has declared, and resides at the Consulate at his own desire, would it not be possible for the S.M.C. Police to get from him a positive confirmation? Not in writing, though, as such a letter is not always signed by a man willingly, but in person at the S.M.C. Police?

The public opinion would be such an action be quietened in a most effective manner and all the rumours about the Soviet Consulate kidnapp-

ing and incarcerating their enemies then could be checked.

Until this is done, everybody has a right to wonder why a Soviet sailor, having a legal Soviet passport and being under the protection of his own Consulate, sought protection and applied for an identification card of the Bureau of Public Safety, the same as all the other Russian Emigrants did. Only a person who resolved to "break with the Soviets, would decide to put himself in an emigrants' position and under the protection of local authorities. If such a person is brought back to U.S.S.R. it could be done only against his own will.

We, Russians, ask not much in the above matter. All we demand from the S.M.C. is investigation and justice. Is it really so very hard to grant justice, even if one has to come therefore into a closer connection with the Soviet Consulate?

A RUSSIAN.

Shanghai, Mar. 29.

TO TEA ENTHUSIASTS

A Question of Colour

To the Editor of the
"NORTH-CHINA DAILY NEWS"

Sir,—I write this in the hope that it might catch the eye of some savants, provided, of course, if you would be good enough to allow it space in your esteemed paper.

Tea is the universal beverage of most people. Though at present it is used as a refreshment, in the early centuries it was said to have been used as a medicine for headaches, instead of aspirin, perhaps because of its good taste and smell. It certainly cannot be said to possess medicinal virtues to-day, with the artificial dyes used in the colouring. I cannot understand why it is that Chinese tea dealers taken so much pains in the colouring process, which to my mind only tends to depreciate its value.

The use of colour in the foods might look appetizing, but the most exacting palate will not appreciate drinking merely appearance, if he comes to think of the dyes used, and the method of their manufacture.

There are certain governments which prohibit the use of colour in tea, and China has also established a tea testing bureau, where light coloured teas are passed while the darker ones are not permitted. But this is like a wife, who by the name of Mrs. Cow, asked her husband to change his name because it did not sound well. The husbands, sympathizing therefore called all his friends for a feast, at the termination of which he told them the reason for his invitation. These friends put forth their mighty head together and decided on the name of Mr. Calf. On returning home, the newly christened Mr. Calf was asked by his better half as to the result, to which he replied that he and his friends had chosen a very good name "Mr. Calf." Thereupon his wife exclaimed, "You jackass. Will not a calf in two years' time become a cow?"

There are some exporters who desire to purchase coloured teas because they have orders from their clients. But I have heard of several cases in which claims have arisen due to a little difference in the colour.

This matter has for long been a subject of thought, and the only conclusion I can draw is that the colouring system is a blind whereby the inferior quality tea could be substituted for the superior. Ordinary persons generally buy the tea which is well sold in market. If it is an imitation it can easily be detected through a decision of the first purchaser, not likely to know the genuine quality, will come to detect it.

I shall be obliged if any one could enlighten me further on this subject.

OUSKOVIL.

Shanghai, Mar. 30.

SIGNOR Mussolini's influence, the ridicule of a Shanghai cinema crowd and discomfort in a recent illness were all contributory factors that decided Mr. Hsiung Hsi-lin to cut off his long and flowing beard. This philanthropist of Peiping gained much notoriety in the Chinese press when he came from his home in Peiping to Shanghai to marry again. Despite his 66 years he feels he is not an old man. This, he explained in an interview on his return home, enabled him to see the force of Signor Mussolini's statement in a speech in Italy warning the Italians that a beard was the sign of senility. While in Shanghai Mr. Hsiung noted that of the thousands who attended the cinema he was seeing with them, he alone sported a beard and that therefore he became the embarrassed cynosure of all eyes. Again in a recent illness the beard caused him much annoyance in tickling him as he lay back on his pillow. Thus he decided to cut off his beard, which action was not, he said, for any consideration in connection with his marriage.

COMMERCE AND FINANCE

MONEY AND EXCHANGE

Hongkong & Shanghai Bank

Tuesday, April 2, 1935

Bar Silver	28 1/2
Chl. dollars, per \$100	711.50
Native interest per day on \$10,000	709
Copper cash per \$100	338

OFFICIAL SELLING RATES	
London—tel. transfer	1/8 1/2
New York—tel. transfer	36 1/2
Paris—demand	France 554
India—demand	Rupees 100 1/2
Batavia—demand	Gulden 54
Hongkong—demand	Dollars 76 nom.
Yokohama—demand	Yen 129 1/2
Singapore—demand	Dollars 45

BANK'S SELLING RATES 10 A.M.	
£1 @ 1/8 1/2	\$13.15
U.S. \$100 @ 30 1/2	\$273.04

BANK BUYING RATES	
£1 @ 1/8 1/2	\$12.97 1/2
U.S. \$100 @ 31 1/2	\$269.36
4 months' sight credits	1/6 1/2
4 months' sight debts	1/6 1/2
6 months' sight credits	1/6 1/2
6 months' sight debts	1/6 1/2
New York—demand	U.S. \$37 1/2
4 months' sight credits	37 1/2
Paris—4 months' sight debts	Fcs. 577

CLOSING RATE	
Sterling	1/8 1/2
U.S. Dollar	37 1/2

National City Bank of New York

MARKET SELLING RATE 10 A.M.	
U.S. \$1	\$'hal \$2.7303
Stg. £1	\$'hal \$13.159

MARKET BUYING RATE 10 A.M.	
U.S. \$1	\$'hal \$2.6936
Stg. £1	\$'hal \$12.973

American Oriental Bank

SELLING RATES	
U.S. \$100	\$'hal \$272.11
Stg. £1	\$'hal \$13.06

BUYING RATES	
U.S. \$100	\$'hal \$267.60
Stg. £1	\$'hal \$12.84

Italian Bank For China

It. Lire 4.51	\$'hal \$1
Swiss Frs. 1.14 1/2	\$'hal \$1

Banque Belge Pour L'Etranger

Belgas 2.15 1/2	\$'hal \$1
Belgas 28.00	£1

Deutsch-Asiatische Bank

OPENING SELLING RATES

Berlin-Hamburg T.T. \$'hal \$100=Rm. 90.00	
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Central Bank of China

London New York	
Bar silver spot	28 1/2
Bar silver forward	28 1/2
Bar Gold, per fine oz. 275.8 1/2	\$35.00
Shanghai gold bar basis	\$910.20
Native interest	.09
Customs gold unit	\$1.793
U.S. \$100 vs. Stg. 33.975 Pence	
U.S. \$100 vs. U.S. \$ 8.123 Cents	

Central Bank's opening selling rates for T.T.	
London	1/8 1/2
New York	37 1/2
Paris	57 1/2
Berlin	53 1/2

Subsidiary Coin Exchange

Kiangnan silver 20cts. a.m. 500=\$83.50	
p.m. 500=\$83.70	
Canton silver 20cts. a.m. 500=\$73.36	
p.m. 500=\$73.45	

Copper:—a.m. 336 coppers=\$1	
6 silver 20cts. and 30 coppers=\$1	
25 coppers=10cts. silver	
10cts. silver and 6 coppers=10cts. big money	

LOCAL EXCHANGE REPORT

Messrs. Drakeford, Davis & Wilson

INTER BANK JUNE DELIVERY

£	Highest 1/8 1/2	Lowest 1/8 1/2
U.S. G.\$	37 1/2	36 1/2
Yen	131 1/2	129

APRIL SELLING BUYING

£ T.T.	1/8 1/2	4 m/s. 1/8 1/2
G.S. T.T.	37 1/2	4 m/s. 1/8 1/2
Fcs. T.T.	57 1/2	4 m/s. 57 1/2
Rs. T.T.	102 1/2	7 d/s. 104 1/2

BAR SILVER Ready For'd

London per cent. std. oz.	28 1/2
N.Y. c. troy	81 1/2
Bombay Rs. per 100 tolas	81 1/2
Bombay offtake 20 bars. Market closed	

London silver was down for spot and unchanged forward at 28 1/2 d. ready and 28 1/2 d. forward. It was reported that America bought, China bought and sold, the market was steady. After the official fixing the market was weaker on an absence of buying interest. Later it was reported that business was done at 1/4 under the fixed rates, there was a little forced selling and an absence of buyers. New York silver was unchanged at 81 1/2 cts and Bombay unchanged at 68.

The local exchange market opened yesterday morning rather uncertain with sellers at 1/6 1/2 sterling, 36 1/2 U.S. \$ and 130 1/2 yen, improving shortly after the opening to 1/6 1/2, 36 1/2 and 130 1/2, only to relapse again to the opening rates a few minutes afterwards. Later, however, with similar fluctuations, the market gradually improved, especially after Mr. T. V. Soong's announcement. At noon there were sellers at 1/6 1/2, 37 1/2 and 132. During the afternoon general firmness prevailed and there was a steady advance until the close when there were sellers for cash at 1/6 1/2, 37 1/2 and 133.

GOLD BAR MOVEMENTS

By courtesy Dah Fah Yung

Yesterday's Business

A bearish market prevailed throughout the morning session, the range was wide and fast and erratic fluctuations occurred on several occasions. Owing to a general bad feeling prevailing, sellers in the auctions forced the market down sharply from \$898 to \$894.50, the official opening rate. After some uneasy movements the market gradually firmed up to attain the high of the day, \$897.30, by 9.16 a.m. Selling continued and the price declined again to \$887.50. Dullness set in for a while, and the market became stagnant at about \$890. Later speculators selling heavily again caused a sharp decline to the low of the morning, \$879, at 11.13 a.m., but large buying orders at this period checked the drop momentarily, for as renewed selling developed the price was once more forced down to \$879.20 by the close of the morning. The noon closing saw the market quiet at \$880.20.

A state of inactivity was witnessed in the afternoon, the market being confined to between \$885.50 and \$877.20. Trading was at its best at the commencement and toward the closing of the session, when fluctuations were at their fastest pace. The market opened officially at \$881.60 and closed at \$877.40. The high of the afternoon and the low of the day were registered at 2.14 and 4.27 p.m. respectively.

Week's Business Reviewed

Tuesday's (Mar. 26) Volume 70,883 bars

Morning Afternoon	
Opening	\$886.00 \$856.00
Highest	\$905.50 \$860.00
Lowest	\$850.00 \$851.00
Closing	\$856.20 \$851.60

Wednesday's Volume 50,774 bars

Morning Afternoon	
Opening	\$846.50
Highest	\$858.30
Lowest	\$844.20
Closing	\$857.70

Thursday's Volume 83,901 bars

Morning Afternoon	
Opening	\$862.30 \$871.20
Highest	\$876.00 \$876.00
Lowest	\$862.20 \$858.30
Closing	\$869.50 \$877.20

Saturday's Volume 50,386 bars

Morning Afternoon	
Opening	\$863.00
Highest	\$877.70
Lowest	\$876.50
Closing	\$879.20

Monday's Volume 72,310 bars

Morning Afternoon	
Opening	\$874.70 \$888.00
Highest	\$884.30 \$895.50
Lowest	\$874.20 \$888.20
Closing	\$884.30 \$895.50

EQUALIZATION CHARGE

RATES PER CENT.

Wednesday (Mar. 27)	6 1/4
Thursday	6 1/4
Friday	6 1/4
Saturday	6 1/4
Monday	6 1/4
Yesterday	6 1/4

JOINT RESERVE BOARD

Member Bank Clearings

WEDNESDAY, MARCH 27, 1935

Dollars	\$ 5,738,000.00
Transfer Dollars	\$ 4,838,000.00

Total Clearings: \$ 10,576,000.00

THURSDAY, MARCH 28, 1935

Dollars	\$ 7,623,000.00
Transfer Dollars	\$ 3,183,000.00

Total Clearings: \$ 10,806,000.00

FRIDAY, MARCH 29, 1935

Dollars	\$ 7,978,000.00
Transfer Dollars	\$ 3,966,000.00

Total Clearings: \$ 11,944,000.00

SATURDAY, MARCH 30, 1935

Dollars	\$ 10,300,000.00
Transfer Dollars	\$ 6,384,000.00

Total Clearings: \$ 16,684,000.00

MONDAY APRIL 1, 1935

Dollars	\$ 7,914,000.00
Transfer Dollars	\$ 7,623,000.00

Total Clearings: \$ 15,537,000.00

TUESDAY, APRIL 2, 1935

Dollars	\$ 4,706,000.00
Transfer Dollars	\$ 4,081,000.00

Total Clearings: \$ 8,787,000.00

The Joint Reserve Board is composed of 38 Chinese banks and its clearance does not include cheques on foreign banks and Chinese native banks.

CANADIAN EXCHANGE

The Chartered Bank of India, Australia & China opening selling rate yesterday:—

Can. \$100 @ 36 1/2 = Sh. \$273.04

HONGKONG TO CURB SPECULATION

Hongkong, Mar. 27.

In an effort to curb speculation, the Hongkong Stock Exchange has passed a resolution to compel all persons transacting future business to declare the numbers of their scrip.

The matter was brought to a head by criticisms voiced at the annual meeting of the Chamber of Commerce on Monday.—Reuter.

A similar ruling was enforced under the Hongkong Ordinance of 1891, but was repealed in 1921.—United Press.

Local traders state that heavy unloading of Hongkong collateral stock was caused by the sharp slump in American cotton, and that this has been responsible for the depreciation of \$20,000,000 in Hongkong securities during the past month.—Reuter.

Allegations that the slump in local securities should be attributed to a large extent to forced sales of shares held as collateral against dealings in American commodities were vigorously refuted to-day by leading brokerage houses dealing in the American markets.—United Press.

SILVER REACHES NEW HIGH

London, Mar. 26.

Following yesterday's sharp rise, London silver prices broke through to a new high to-day, when prices were fixed at a penny an ounce above yesterday at 28 1/2 and 29 d for cash and forward.

The rise was reported to be chiefly due to strong speculative buying and the fact that sellers were holding back.—Reuter.

WORLD SILVER OUTPUT

New York, Mar. 27.

World production of silver dropped in February to 14,801,000 ounces, as compared with 15,717,000 ounces in January, it was announced to-day by the U.S. Bureau of Statistics. The United States produced 3,411,000 ounces, as compared with 2,722,000 the previous month; Canada produced 905,000 ounces, as compared with 1,531,000 during January; and Mexico produced 5,500,000 ounces, as compared with 6,000,000 ounces during the previous month.—United Press.

RUBBER FIGURE FIXED

London, Mar. 26.

The International Rubber Regulation Committee to-day fixed the following percentages as basis of quotas, namely:

For April, May and June—70 per cent.

For the remainder of 1935—65 per cent.

Following the announcement, the rubber share market quickly developed firmness and the leading shares rose. Considerable excitement also prevailed in the commodity market, where the price of raw material rose sharply to 8 1/2 d. a lb.—Reuter.

WEEK'S EXCHANGE NOTES

Shanghai, Mar. 30.

At the close of business on the 28th instant the stock of silver in Shanghai was Tls. 16,230,000 and \$289,610,000.

These figures include Tls. 7,100,000 and \$250,430,000 in Chinese banks in which there were 7,980 bars.

There were no movements.

Imports:—

Tls. 380,000 from Tientsin.	
100,000 " Nanking.	
Tls. 540,000	

Exports:—

Tls. 350,000 melted and coined.	
200,000 from Loyang.	
150,000 " Nanking.	
100,000 " Wuhu.	
100,000 " Ningpo.	
\$ 490,000 sycee melted and coined.	

Imports:—

\$ 490,000 sycee melted and coined.	
200,000 from Loyang.	
150,000 " Nanking.	
100,000 " Wuhu.	
100,000 " Ningpo.	
\$ 1,040,000	

Exports:—

Nil.	
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Silver

London quotations came to-day 28 1/2 d. ready and 28 1/2 d. forward, a rise of 1 1/2 d. in ready and 1 1/2 d. in forward delivery as compared with last week.

India and America bought, China and the London Speculators bought and sold.

Exchange

The official T.T. rate to-day is 1/8 1/2 d. as against 1/7 d. last week.

The speculators' position is estimated to be £1,400,000 oversold.

Selling T.T. 1/8 1/2 d. U.S. \$37 1/2.

Buying 4 m/s. 1/8 1/2 d. U.S. \$37 1/2.

PLAN TO RELIEVE MONEY SITUATION

Sir Victor Sassoon Suggests Sterling Loan and Note Issue for China

Shanghai, Mar. 28.

A palliative plan designed to ease the stringent financial situation in China, particularly in Shanghai, was advanced by Sir Victor Sassoon in an interview with Reuter yesterday. Sir Victor suggested that China should obtain a sterling credit and make a note issue against it in the form of "Shanghai pounds," "equivalent to sterling, to circulate alongside the Shanghai dollar as a secondary or alternative currency. Under his plan, such notes would be obtained from a special committee upon payment in sterling at London, or in local dollars at the prevailing rate of exchange for sterling. If necessary, the supply of a certain amount of smaller token currency might be arranged through the Municipality.

Sir Victor emphasised that it was essential for China to remain on the silver standard, to which the people had been faithful for centuries. He attributed the present crisis to America's silver-purchasing programme, which he described as a failure. He said that China, and more particularly Shanghai, must attempt to bridge the difficult times ahead until America abandoned her present silver policy, as he was certain the silver eventually. To expand China's currency by inflationary methods, he added, was liable to prove disastrous, but, if expansion could be obtained by conservative means, the immediate benefits would be very considerable.

Variety of Uses

The new sterling notes, in his opinion, could be used in a variety of ways, such as for the payment of Customs duties and the purchase and sale of imported goods, thus obviating the present exchange risk. It was conceivable, he continued, that the new notes might prove more attractive for hoarding than local currency, and this would release for circulation more local dollars. The dual currency could be abolished immediately America's silver policy was changed, or if other factors arose to assist China to emerge from her present troubles.

Sir Victor considered that the existence of a sterling equivalent currency locally would mean sterling credit available, enabling expansion of the local credit structure without inflation.—Reuter.

£10,000,000 Not Enough

Nanking, Mar. 27.

The "Central Daily News" publishes an interview with Dr. H. H. Kung, who is quoted as having denied that China is seeking a loan of £10,000,000 from London. Dr. Kung is stated to have said that the question of a foreign loan was now in process of discussion, but that the amount must exceed £10,000,000.—Reuter.

Sir Victor's Critics Answered

Shanghai, Mar. 31.

Critics of his plan for the issue of a secondary or alternative currency, to be known as "Shanghai pounds," which would circulate alongside the Shanghai dollar, were answered in a statement issued through Reuter to-day by Sir Victor Sassoon. Sir Victor emphasised that, so far as he was aware, no other suggestion had been put forward which did not involve either inflationary tendencies or a managed currency.

His statement was:—

"While I welcome disagreement with my proposed plan as an indication that it has at least stimulated discussion, I must strongly deprecate the suggestion which has been made that my proposals had any of the motives behind them which have been attributed to them. My sole desire is tentatively formulating the scheme was to help to unfreeze the present monetary situation and to relieve the stringency in the Shanghai market.

"There is, of course, no reason at all why the scheme would not be equally applicable to a secondary currency based on the Yen, the American dollar, or the Swiss franc, but I suggested the pound for the following reasons:—

"In the first place, sterling

SHANGHAI MARKETS' WEEKLY REVIEW

Business Still Slack: Only Small Quantities of Foreign Wheat Imported Into China

The general tone of the local markets during the past week still shows that very little business is being done. An interesting revelation has been made in the Wheat and Flour report concerning the so termed "dumping" of wheat in China.

PIECE GOODS

No business in either cotton or woollen goods was done in the Piece Goods during the past week.

YUENFONG AUCTIONS

The Yuenfong Auctions' Market continues much about the same though prices this week were inclined to be easier for Dyed Goods. Italians declined a further 22 cents. Velvets were barely steady, but fluctuations for Black Italians average out more or less unchanged. Bleached Goods are again easier with the exception of White Poplins. Shirtings declined to the extent of 25 cents, and Lawns were likewise lower. The tone of the market on the whole was not quite as good as it was last week.

COTTON, YARN ETC.

(Weekly report by courtesy of Messrs. J. Spunt & Co.)
Chinese Cotton: Since the issue of our last review our market moved gradually upward and on the whole registered an advance of \$0.50 higher than that prevailing during the preceding period. The main factors that infused firmness in the local markets were the unfavourable rates of exchange which deterred commitments on the foreign fibre and the general expectations that the government will continue in its efforts to so regulate exchange rates as to reduce as much as possible importations of the raw material and which will tend to enhance the values of the indigenous growth. The selling pressure for the time being appears to be over and the bulls are again assuming a firmer attitude and are withholding their stocks until prices appreciate further. Quite a number of timely shorts covering is now becoming noticeable. Spinners are still continuing on a hand-to-mouth policy and although they are freer in replacing cotton for their 32s and 42s counts they are more or less in a difficult position in buying up the raw material for their 16s and 20s counts as the prices for Shanghai, Tientsin, and Shensi grades are ruling firmer than that of the Lin-pao grades, due to lower spot stocks of the former, particularly so as the receipts are falling off owing to the near approach of the Tsing Ming festival. Taking a bird's eye view of the situation at the moment, while we may still expect some further advances in the near future it is rather difficult to predict any material improvement in the raw material.

Yarn: An advance of \$3 per bale for forward months has been registered during the week under review and such upward movement was brought about by the strong support of the bulls who bravely took up a large quantity, around 7,000 bales, from the Cotton Goods Exchange. As most of the stocks in the ware houses of the Cotton Goods Exchange have now reverted to the hands of the bulls, a more encouraging sentiment prevails, and any selling pressure of yarn futures seems unlikely in the near future, provided no untoward break in the cotton markets, adverse rates of exchange or any political disturbance takes place in the interim.

SHANGHAI MARKET

Shanghai, spot ex-mill \$40.00
Tungchow, spot ex-mill \$42.00
Shensi, spot ex-mill \$42.50
Lingpao, spot ex-mill \$46.00
Lingpao high grade spot \$50.00
Tone of the market:—Steady.

WHEAT AND FLOUR

World Wheat Markets have continued very firm. The strength comes from exporting countries. The world wheat crop is undoubtedly much smaller than anticipated and there is a good demand throughout the world. There is nothing outstanding to report as regards the situation in China. Practically no business has been done.

This opportunity may be taken to draw attention to the fact that recent newspaper reports referring to imports of foreign wheat as detrimental to China are not quite correct.

The fact is that the total imports of foreign wheat compared with the total production and consumption of wheat in China are very small indeed. A further fact is that China is compelled to import a certain quantity of wheat because after a certain time of the year Chinese wheat has all been used up and is no longer available to modern mills.

The remark as to "dumping" of wheat is entirely unjustified because the prices at which foreign wheat have been sold have been continuously much higher than the native product could be bought, and furthermore, as soon as the new crop of native wheat becomes available, the import of foreign wheat is automatically curtailed, and foreign wheat prices, as previous

seasons have proved, have no influence whatsoever on the prices of native wheat.
The Shanghai Flour Market has been rather steady. Prices continue on the low side, although based on foreign wheat prices none of the mills is able to produce flour at present price level.

RICE

During the past week the market for foreign rice continued to be active but at declining prices. The largest consumers were inland and local dealers. The market for Chinese rice, however, remains listless. Quotations for Saigon rice were from \$10.20—\$9.25, and for Chinese rice \$12.45—\$11.20.

SILK

The Raw Silk Market continues quiet and featureless. As far as exports are concerned a considerable decline in exchange holds out the only remedy from the present protracted apathy.

TIMBER

The Timber Market is still dead and the prospects of a revival of interest seem as remote as ever.

PRODUCE

No interest is shown in any of the Produce Markets during the past week and inquiries have been negligible.

PAPER

Buyers are still ready to purchase quick shipments of M.G. White Cap, but otherwise dealers have not shown much interest. There is a demand for newspaper on rolls but Scandinavian makers are now well booked ahead, and ask prices which are higher than those quoted by American and Canadian makers. A certain amount of business has been done in the consumer trade, principally in Duplex Board of German make. Home prices remain firm with a rising tendency, and deliveries from local stocks are fair.

MENTOUKUO MINE OUTPUT

Messrs. George McBain have received information from the Mentoukou Mine that the production of coal for the month of March was 24,600 tons and that Despatches amounted to 20,980 tons.

FEBRUARY RUBBER OUTPUT

Henrietta Rubber Estate Ltd., 35,000
Permata Rubber Estate, Ltd., 10,280
Sungei Matang Rubber Estate, 29,000

CHINESE BOND MARKET REVIEW

By courtesy S. D. Wang & Co.

Shanghai, Apr. 1.
With the exception of two issues, the market registered net gains of various amounts at the close of the month of March. Due to its phenomenal gains in February, 23rd Year Customs was more inclined to go downward contrary to the general direction of movement. This was especially the case during the early part of the month.

A general absence of interest among speculators was noticed during the latter part of the month until the approach of settlement forced their hands and a short period of fast-minute activities came just before settlement day. The total volume of transactions was consequently low, amounting to only 319,980,000.

The month opened with a declining tendency but this was short-lived and a recovery took place almost immediately after. The rest of the first week was quiet with little fluctuations.

The second week was featured by a sudden advance due to reports of

Issue	Open	High	Low	Close	Feb. Cl.	Comp.	Fluct.	Trans.
18th Yr. Customs	Mar. 24.90	24.70	24.00	24.55	—	0.70	0.05	0.00
Reorganization	Mar. 38.95	40.40	38.70	39.80	+0.90	1.70	2,625,000	—
Disbandment	Mar. 38.40	40.20	38.40	39.55	—	1.80	2,175,000	—
	Mar. 74.70	76.00	73.75	75.10	+0.55	2.25	4,670,000	—
	Mar. 74.00	75.95	73.50	75.00	—	2.05	6,880,000	—
15th Yr. Customs	Mar. 40.10	40.70	40.00	40.65	+0.40	0.70	5,025,000	—
	Mar. 39.35	40.20	38.35	39.90	—	0.85	3,055,000	—
Rehabilitation	Mar. 45.80	46.65	45.80	46.40	+0.60	1.55	2,280,000	—
	Mar. 45.40	46.15	44.95	45.95	—	1.20	1,415,000	—
20th Yr. Tobacco	Mar. 49.55	51.75	48.90	50.45	+0.25	2.85	3,325,000	—
	Mar. 49.20	51.30	48.75	50.25	—	2.55	14,525,000	—
20th Yr. Customs	Mar. 49.40	51.10	48.40	50.05	+0.45	2.70	8,225,000	—
	Mar. 48.75	50.85	48.30	49.80	—	2.55	12,000,000	—
Consolidated Tax	Mar. 54.15	56.70	52.80	55.50	+1.50	2.90	11,455,000	—
	Mar. 53.90	56.35	53.00	55.20	—	2.75	19,225,000	—
Salt Revenue	Mar. 55.45	57.95	52.00	56.00	+5.35	2.85	14,525,000	—
	Mar. 55.10	57.50	54.80	56.30	—	2.65	22,770,000	—
20th Yr. Currency	Mar. 72.45	75.05	71.50	73.10	+2.80	3.15	16,280,000	—
	Mar. 71.20	74.00	71.10	74.00	—	3.00	25,795,000	—
6% Consolidated	Mar. 67.25	69.15	67.00	68.40	+0.25	1.15	6,100,000	—
	Mar. 67.60	69.90	67.00	69.00	—	2.30	3,750,000	—
22nd Year Customs	Mar. 58.20	60.55	58.15	60.00	+0.80	2.50	22,770,000	—
	Mar. 57.65	59.55	57.50	59.35	—	2.65	28,520,000	—
23rd Yr. Customs	Mar. 70.00	70.70	69.60	70.50	—	3.75	20,150,000	—
	Mar. 69.85	70.80	69.45	70.45	—	3.50	19,760,000	—
96 Millions	Apr. 9.80	11.00	9.70	9.75	—	1.30	21,355,000	—

NEW YORK STOCKS

Monday's Closing Quotations

	Mar. Apr.
Amer. Can.	115 1/2
Amer. Cyanamid "B"	101 1/2
Amer. & For. Pwr.	101 1/2
Amer. & For. Pwr. Pfd.	101 1/2
Amer. Locomotive	101 1/2
Amer. Radiator	111 1/2
Amer. Smelting	101 1/2
Amer. Tel. & Tel.	102 1/2
Amer. Tobacco "B"	78 3/4
Amer. Waterworks	111 1/2
Amer. Waterworks \$6 Pref.	56 1/2
Anacosta Copper	101 1/2
Atchafalpa, T. & S. Co.	37 3/4
Bethlehem Steel	24 1/2
Auburn	18 1/2
Baltimore & Ohio	89 1/2
Bendix Aviation	134 1/2
Bethlehem Steel	24 1/2
Boeing Airplane Co.	66 1/2
Borden Co.	218 1/2
Bois Warner	31 1/2
Case, J. I.	50 1/2
Can. Pacific Rly.	102 1/2
Caterpillar Tr.	38 1/2
Chase Nat. Bank	21 1/2
Chesapeake & Ohio	38 1/2
Chrysler	34 1/2
Columbia Gas & Elec.	51 1/2
Com. Solvents	101 1/2
Comm. & Stm. (Ord.)	101 1/2
Comm. & Stm. \$6 Cum.	38 1/2
Consolidated Gas of N.Y.	20 1/2
Continental Oil	101 1/2
Corn Products	65 1/2
Coty Inc.	41 1/2
Douglas Aircraft	41 1/2
Du Pont de Nemours	89 1/2
Elec. Bond & Sh.	51 1/2
Elec. Bond & Sh. \$5 Pref.	44 1/2
Elec. Bond & Sh. \$6 Pref.	44 1/2
Fox Film "A"	91 1/2
Gen. Electric	22 1/2
Gen. Foods	33 1/2
Gen. Motors	28 1/2
Gold Dust	15 1/2
Goodyear Tire & R.	17 1/2
Int. Cement	22 1/2
Int. Nickel	24 1/2
Int. Tel. & Tel.	61 1/2
John Manville	41 1/2
Kennecott	16 1/2
Loew's Inc.	35 1/2
Lorillard	19 1/2
Montgomery Ward	23 1/2
Nat. Biscuit	23 1/2
Nat. City Bank	10 1/2
Nat. Dairy Prods.	13 1/2
Nat. Distillers	27 1/2
Nat. Power & Lt.	13 1/2
New York Central	13 1/2
North Amer.	17 1/2
Pacific Gas & Elec.	16 1/2
Packard Motors	31 1/2
Pennsylvania R.R.	18 1/2
Phillips Petroleum	15 1/2
Public Serv. of N.J.	24 1/2
Radio Corp.	41 1/2
Reynolds Tobacco "B"	25 1/2
Schenley	25 1/2
Sears Roebuck	33 1/2
Shenandoah	12 1/2
Shrn. Cal. Edison	13 1/2
Shrn. Pacific	13 1/2
Shrn. Rail	81 1/2
Stand. Brands	14 1/2
Stand. Gas & Elec.	31 1/2
Stand. Oil of Cal.	29 1/2
Stand. Oil of N.J.	21 1/2
Sterling Prods.	61 1/2
Texas Corp.	12 1/2
Texas Gulf	17 1/2
Texas Gulf Sulphur	17 1/2
Transamerica	51 1/2
Un. Carbide & Carbon	46 1/2
Un. Chem. & Engr.	51 1/2
Un. Aircraft (New)	11 1/2
Un. Airline Trans.	5 1/2
Un. Corp.	21 1/2
Un. S. Rubber	18 1/2
U. S. Steel	28 1/2
Vanadium	141 1/2
Varnier Bros. Pict.	21 1/2
Westinghouse Elec.	35 1/2
Curtiss Wright (Com.)	21 1/2
Curtiss Wright "A"	71 1/2
Elec. Auto Light	20 1/2
Gillette Safety	14 1/2

CHINA'S BULLION AND FOREIGN TRADE

Excess of Import of Silver of \$550,034 and Export Excess of G. U. 1,440,000 in February

	February 1935	1934	January—February 1935
G. U.	\$	G. U.	\$
Imports			
Gold Coins			
Bullion			
Silver	550,034	1,170,585	3,250,407
Total Imports	550,034	1,000	2,594,378
Exports			
Gold Coins			
Bullion	1,440,000	5,141,802	1,969,100
Silver			
Coins			
Bullion			
Total Exports	1,440,000	5,141,802	2,178,013
Excess of Imports and Exports	1,440,000	550,034	4,772,391
Excess of Imports (Exports)	1,440,000	550,034	416,305
			9,093,134

Value of Merchandise Imported Exceeds Exports in February by \$25,170,454

	February 1935	1934	January—February 1935
G. U.	\$	G. U.	\$
Imports			
Gross Imports	32,923,047	98,359,712	82,539,158
Less Re-exports	391,034	774,582	752,140
Net Imports	35,32,013	66,695,588	88,217,797
Exports			
Gross Exports	41,515,843	88,848,321	90,850,617
Less Re-imports from Abroad	22,760	31,805	78,705
Net Exports	41,529,134	88,811,510	90,771,942
Total Net Imports and Exports	108,216,722	277,029,313	253,477,770
Excess of Imports Exports	25,170,454	99,406,281	59,933,886

	23 1/2	23 1/2	5%	(Supl. Loan)	26 1/2	26 1/2
Kroger Grocery	23 1/2	23 1/2	5%	S. H. N. P. Rly.	100 1/2	100 1/2
Liquid Carbonic	44 1/2	44 1/2	5%	Honan Railway	30	30
McIntyre Porcupine	41 1/2	41 1/2	5%	Rukang Rly. 1911	44	44
Nat. Steel	12 1/2	12 1/2	5%	Lung Tseung U. Hal Rly.	17 1/2	17 1/2
Otis Elevator	37 1/2	37 1/2				
Pierce Arrow	10 1/2	10 1/2				
Vick Chemical	37 1/2	37 1/2				
Westinghouse Air Brakes	10 1/2	10 1/2				
Adams Express	41 1/2	41 1/2				
Alaska J. & L.	15 1/2	15 1/2				
Amer. Metal Co.	15 1/2	15 1/2				
Atlas Corp.	8 1/2	8 1/2				
Chesapeake Corp.	38 1/2	38 1/2				
Consolidated Oil	7 1/2	7 1/2				
Crown Cork & Seal Co.	45 1/2	45 1/2				
Elec. Power & Lt.	2 1/2	2 1/2				
Gen. Rail. Signal	18 1/2	18 1/2				
Glidden Co.	25 1/2	25 1/2				
Int. Harvester	38 1/2	38 1/2				
Lehigh Valley	67 1/2	67 1/2				
Pennroad Corp.	10 1/2	10 1/2				
Republic Steel	61 1/2	61 1/2				
Simmons Co.	11 1/2	11 1/2				
Un. Gas Imp.	11 1/2	11 1/2				
Univ. Leaf	27 1/2	27 1/2				
U. S. Rubber \$8 1st Pref.	53 1/2	53 1/2				
Woolworth	27 1/2	27 1/2				

	23 1/2	23 1/2	5%	(Supl. Loan)	26 1/2	26 1/2
Abitibi Power & Paper	Unq.	29 1/2				
Amer. & For. Power	57 1/2	57 1/2				
Amer. I.G.	105 1/2	105 1/2				
Amer. Waterworks	78 1/2	78 1/2				
Columbia Gas & Elec.	78 1/2	78 1/2				
Goodyear Tire & R.	104 1/2	104 1/2				
Int. Tel. & Tel. Conv.	62 1/2	62 1/2				
Int. Tel. & Tel. S.	60 1/2	60 1/2				
Nat. Dairy Products	103 1/2	103 1/2				
New York Central	100 1/2	100 1/2				
Pacific Western	103 1/2	103 1/2				
Shrn. Rly.	46 1/2	46 1/2				
Standard Gas & Elec.	37 1/2	37 1/2				

LONDON STOCKS

Monday's Closing Quotations

By courtesy Swan, Culbertson & Fritz	Rubber Plantation Invest.	29 1/2	29 1/2
by Reuter	Southern Ry., Deferred	22 1/2	22 1/2
Mar. 29 Apr. 1	MINES		
War Loan, 3 1/2% (Red.)	Burma Corp.	9/-	8/9
	Chosen Corp.	25/-	25/-
CHINESE BONDS	Crown Mines	275/-	277 1/2
	Randfontein Estates	56/6	57/3
100 100	Springs Mines	192/6	193/9
Bonds, 1898	Sas-Nigel	277/0	281/3
Loan, 1906	Rhokana Corporation	100/-	97/-
Loan, 1912			
Reorg. Loan, 1913	OILS		
Gold Bonds, 1925-47	Anglo Persian	46 1/2	48 1/2
Shanghai-Nanking Ry.	Burmah	72/0	72/6
Tientsin-Pukow Ry.	Shell Trans. & Trad.	51/3	50 7/8

Company Meetings

BANK OF CHINA 1934 REPORT

Shanghai and the Silver Question: Real Estate Problems: General Economic Conditions

The annual meeting of shareholders of the Bank of China was held at the Chinese Bankers' Association Building, Shanghai, on Saturday, Mr. Chang Kia-ngau, general manager of the bank, submitted the report for the year ended December 31, 1934, reviewing financial and business conditions in China. Extracts from his report follow:—

The year 1934 saw the suppression of communism along the Yangtze River, resulting in increased stability in the central provinces. Leaving out of account the Three North-Eastern Provinces, there were no special happenings in the border provinces, except communist disturbances in Szechuan, which have already been greatly reduced. There has been a greater degree of harmony in political relations between the Central Government and Canton, and the Central Government's co-operation with the local government authorities in the construction of highways, irrigation works, the improvement of light industries, the extension of the Lunghai Railway to Sian, the progress in construction of the Canton-Hankow and the Yushan-Nanchang railways, are indications of progress in the union. At the same time there was some recovery in the Straits Settlements, so that overseas Chinese remittances were maintained. The progress in both the economic and the political sphere during the past year is clearly marked. It is unfortunate that floods or drought caused great loss in twelve provinces having a combined population of over 10,000,000 people, the provinces being Hunan, Hupeh, Kiangsi, Kiangsu, Chekiang, Anhwei, Fukien, Hopei, Shensi, Kankang, Szechuan and Suiyuen. As a result, there was immense damage to the harvest, necessitating imports of foreign rice. The difficulties which industry and commerce were already experiencing were greatly aggravated by the U.S. silver-purchase policy. To overcome this difficulty China must make a determined effort to become more self-supporting. It is hoped that the following observations on China's economic and financial situation during the past year may be of general interest.

Export Duty on Silver

In dealing with the silver situation in last year's report it was suggested that a rise in the price of silver would seriously affect the foundations of China's national economy, and that foreign countries should adopt artificial means to this end, the result would be much larger exports of the metal from China. The hope was also expressed that for the sake of China every country would observe the agreement for the stabilization of silver adopted at the Economic Conference in London. Yet, within a few months after that conference, the silver-purchase programme was adopted by the U.S. Congress. The purpose of silver which the U.S. Government has been making in the market have resulted in a wide disparity between the world price and the price in China; and, because of the profit obtainable from sales abroad, silver exports from China have continued on a large scale. The widest disparity between the sterling exchange quotation in Shanghai and the London price of silver occurred in November, and amounted to 3,919 pence, as compared with a disparity in January of only 1,789 pence. From July to October inclusive there was a net export of silver from China amounting to over \$200,000,000. The National Government, in order to prevent a crisis and further exports of silver, introduced a duty and a variable equalization charge on silver exports as from October 15. There were considerable differences of opinion regarding this measure. Those who approved of the step maintained that, if the U.S. silver-purchase policy remained unchanged, China's silver holdings would be completely drained away, and that a continuance of the outflow of silver would result in a financial crisis. Those of a contrary opinion argued that, if China should attempt to devalue the dollar or place restrictions on silver movements, the hoarding of silver would be encouraged. It was said that unless there was free movement of silver there would be no inducement for foreign capital to come to China for investment, and, because of fears of a devaluation of the currency, there might even be a flight of foreign capital already in China. Furthermore, the fear was expressed that the higher the equalization charge was raised the greater would the outward smuggling of silver become.

However, since the imposition of the export duty on October 15 silver exports from China have been greatly reduced, the net export in November being \$11,327,650 and in December \$11,974,659. For the month of August the net export was no less than \$79,000,000. It was, in addition,

found unnecessary to raise the equalization charge owing to the tightness in the money market and the higher level of Shanghai exchange. The average equalization charge was 7.1 per cent. in November and 6.4 per cent. in December. The smuggling out of silver was actually not as great as had been predicted. The greater demand for silver in the outports in November and December was due not so much to hoarding as to requirements in connection with the marketing of agricultural produce. On the whole the imposition of the export duty on silver has probably proved a stabilizing influence on the monetary and financial situation.

If the ultimate object of the U.S. Purchase Act is to be accomplished—that is to say, if the gold and silver reserves of that country are to be established on a three-to-one basis by the purchase of an amount of silver estimated to be at least 1,400,000,000 ounces—the export of the total available silver stocks of both China and India will be insufficient for this purpose. It has been argued by those in favour of a higher price of silver that this would increase China's purchasing power abroad; but that this is not so is shown by the fact that, despite the higher price of silver last year, China's imports decreased by \$316,000,000. Is it that the U.S. Government is so ignorant of China's position with regard to silver, and so ill-informed as to the economic situation in this country, that they do not understand the source of China's purchasing power, or is it their deliberate intention to force up the value of China's currency in order to decrease our exports and facilitate American competition in this market? The National Government has more than once made representations to the U.S. Administration explaining the harmful effects of the silver-purchase policy on the financial situation in China. Fortunately there are indications that the U.S. Government's policy is gradually being modified. It is earnestly to be hoped that the U.S. Legislature will appreciate that a rise in the price of silver will be beneficial to China as a silver standard country only to the extent that commodity prices also rise, that no stability in the price of silver can be possible without the co-operation of silver-using countries, and that U.S. trade in the Far East will be benefited to a much greater extent through a strengthening of financial conditions in this country, which means a population of over 400,000,000, than through the present silver-purchase policy.

Stabilization of Currency

Nothing has done more to restore confidence in China than the Government's announcement that it has no intention of adopting a policy of currency devaluation, and that it will maintain a stable system of currency. Since the U.S. silver-purchase policy became effective there has been considerable nervousness regarding the possibility of either a nationalization of silver and a Government issue of inconvertible paper currency, or a devaluation of the dollar. These fears increased when the Government's exchange regulations were announced last September, and there was a flight of foreign capital and a further large outflow of silver. From July to October there was a net export of silver amounting to nearly \$208,000,000. When the export duty on silver was imposed on October 15 the belief in the possibility of either a devaluation of the dollar or of depreciation of the currency was strengthened. Chinese capitalists began to purchase foreign currency in large amounts, and continued to do so until the Government made a clear announcement that it was definitely opposed to devaluation, nationalization of silver stocks or the issue of inconvertible notes. Confidence was restored, the flight of capital ceased, and the danger of hoarding of silver removed. More recently the Government has issued an order exempting from the export duty new imports of silver which might be re-exported, thus showing that the export duty on silver was intended merely to conserve existing silver stocks in China. A most severe financial crisis would undoubtedly have developed if the Government had made this decision to re-establish confidence in the currency. It must be remembered that the Chinese people have long been accustomed to the actual circulation of silver, and that currency notes are still looked upon as bullion

certificates. If any change in silver holdings occurs the standing of the notes is immediately affected.

Since the establishment of the Republic in 1912 the total imports of silver into China have amounted to \$1,394,000,000 as against total exports of \$408,000,000, thus showing a net import of silver amounting to \$986,000,000. There are no accurate statistics of silver stocks in China, but it has been estimated that they might amount to 2,500,000,000 ounces, valued at \$3,300,000,000. It is estimated that the total coinage of silver in China since the opening of the Hupeh mint in 1895 has amounted to \$2,133,000,000, that the provincial mints have melted down \$267,000,000, and that China \$286,000,000 have also been melted. This would leave about \$1,600,000,000 still in circulation. Thus the outflow of silver from China last year would be roughly one-sixth of the estimated total.

If the Government is able to maintain confidence in the currency, the silver exported can be replaced through a free circulation and mobilization of the silver remaining in China. This process can be assisted by strengthening the system of bank-note issues, so that the long-established and uneconomical habit of using actual silver may be modified in favour of a wider acceptance of adequately secured paper currency.

Economic Organization

Since the development of the world economic depression every country has been engaged in seeking a remedy appropriate to its circumstances and particular needs. Such measures as embargoes on the export of bullion, currency devaluation and centralization of monetary reserves, exchange control or depreciation, and exchange clearings, increased tariffs, quota systems for imports, and barter trade, have in once country or another been employed to try to facilitate recovery. China, as a country less advanced than other countries in its economic organization, has not been in a position to make use of such measures. The lack of unity in China's currency and note-issue system, the impossibility of centralizing silver stocks and preventing hoarding, the inability to control exchange rates, which are to a large extent fixed by foreign banks enjoying the protection of extraterritorial rights and located in cities not under Chinese jurisdiction, are obvious hindrances to such measures of control. Owing to the situation with regard to China's international relations she does not at present enjoy complete freedom in fixing tariffs, and is unable effectively to control imports into China. Unless China can build up a stable and centralized economic organization she cannot hope to be able to cope with the difficulties arising from the world economic crisis. The measures required include the unification of the currency, a greater measure of co-operation among financial institutions, and co-ordination of trading and industrial units. In addition, efforts are necessary to increase agricultural production and provide warehousing and distribution facilities, to reduce production costs and improve the marketing of agricultural products. With the co-operation of the Government and the public, monetary, financial, industrial and trade organizations should combine in an effort to establish sounder economic foundations, and, either by applying long-established Chinese methods or by introducing new plans from abroad, should make a concerted effort to bring China through the present crisis. Measures of this kind were put into effect in a short space of time in such countries as Italy and Russia, and were developed as a result of actual experience over a period of several years. It is hoped that China consider such suggestions impracticable, and are content with a few slogans, but only will uncertainty continue, but economic and financial conditions will further deteriorate.

Financial Situation in Shanghai

Since the silver crisis developed last year Shanghai has suffered more seriously than any other city in China. The other ports, being financially dependent on Shanghai, have naturally also suffered, though not so seriously as Shanghai. The interior of China has been affected scarcely at all, and is quite unable to understand the crisis that has arisen in Shanghai. The reason is that in its organization China as a whole is an agricultural state in an early stage of economic development, but the port cities, on account of foreign influences, are organized to a greater extent than places in the interior. Shanghai, because of its geographical situation and economic importance, possesses all the facilities of modern economic organization, so that in the event of a crisis Shanghai is naturally the first and worst to be affected. It is not surprising, therefore, that in the crisis that has arisen Shanghai should suffer the most. Because of Shanghai's special position it is not representative of the whole of China. This can be seen in the fact that, despite the crisis in Shanghai, the interior remained quite unaffected last year. In order to be able to determine what measures are neces-

sary to remedy the situation existing in Shanghai it is necessary first to consider the special factors that have created that situation.

The most noticeable feature in the financial situation in Shanghai in the past few years has been the development of over-confidence. This has been caused, on the one hand, by transfers of silver from the interior due to bandit disturbances and the adverse balance of trade between the interior and Shanghai, and, on the other hand, by the deposit in Shanghai of the funds of foreign traders because current rates of exchange discouraged conversion into foreign currency. In consequence there was a very large increase in the silver stocks of both Chinese and foreign banks. The total increase from \$171,000,000 at the end of 1928 to \$547,000,000 at the end of 1933, an increase of no less than \$376,000,000 in a period of five years. This accumulation of silver provided a basis for a larger volume of credit, which in turn necessitated increased opportunities for investment. Business undertakings such as factories and commercial firms with only a small capital were able to obtain considerable financial facilities and greatly extend their operations. In addition, there was an increasing demand for real estate, and a continuous rise in its price, leading to the organization of real estate companies. At the same time the Government over a period of six or seven years had issued domestic bonds of a face value of more than \$1,000,000,000, and there were also a number of issues of utility and other company debentures. A very large part of the increase in credit was employed in real estate and domestic bond transactions, because the development of business undertakings requires technical staff and the earning of sufficient profits to justify larger loans, and is, therefore, less easy than the mere purchase of land or bonds.

The U.S. silver-buying programme commenced in June, and between May and December there was a decrease of \$57,000,000 in the silver stocks of Chinese banks in Shanghai, as compared with a decrease of \$203,000,000 in the silver stocks of foreign banks. Thus the decrease in silver holdings was very much greater in the case of the foreign banks than of the Chinese banks, and the tightness of credit was largely with the foreign banks. The marketability of government domestic bonds depends very much on Chinese banks, whereas the foreign banks have been more concerned with real estate. Since the development of the silver crisis there has been a serious decline in real estate prices, but market quotations for domestic bonds have remained almost unchanged.

Real Estate Problem

One of the most obvious weaknesses during the financial crisis in Shanghai has been the inability to dispose of real estate, which is due, firstly, to over-expansion of credit granted for real estate transactions, and secondly, to tightness of funds in the foreign banks. In order to remedy this situation it is necessary to establish a sounder and more stable basis for the valuation of real estate, that is, to say, the price of land should bear a more definite relation to yield, which in turn should be in accordance with market interest rates. Furthermore, rents must be related to the purchasing power of the community, so that houses may be occupied and rents may be paid. The fixing of reasonable rents, coupled with a more effective safeguard of estate owners' rights, would enable the latter to collect their rents with greater certainty. New building construction should not be undertaken merely because the land is undeveloped and the mortgagee is pressing for repayment. If measures such as these were adopted for several years conditions in the real estate market would become normal. In the meantime, it is hoped that mortgages will accept lower rates of interest so as to relieve the owners' burden. Foreign businessmen should realize that prosperity in Shanghai is a matter that concerns both Chinese and foreign interests. They should not link too closely China's silver problem with the local financial situation and assume that, unless that problem is solved, there can be no remedy for the Shanghai financial crisis. Chinese for their part should not consider that, because of the financial strain in Shanghai, the financial situation in the interior cannot be maintained. The Chinese banks realize their great responsibility for providing financial facilities throughout the country, and it is hoped that the foreign banks will co-operate in this direction in order to establish more normal conditions and restore the prosperity of Shanghai. Domestic industries and traders will suffer as a consequence of the financial stringency, but the banks will do their best to provide assistance in production and marketing. If, as is hoped, Chinese industrialists and commercial undertakings will use every effort to reconstruct their internal organization in order to reduce the cost of production, the present crisis may actually turn out in the

long run to be a blessing instead of a curse.

Whenever a country experiences a financial crisis there is a tendency to try to solve it by means of currency inflation. The cause of the financial difficulties in Shanghai is largely over-expansion of credit facilities in the past. At present not only is credit restricted, but, in addition, a part of the basis of credit facilities has been removed from Shanghai. The only way to relieve this situation is by means of a replenishment of cash, either through a re-importation of foreign capital or a mobilization of idle silver from the interior as a reserve for note-circulation. Any attempt to increase credit without a backing of silver would inevitably be doomed to failure.

International Payments

Apart from the immediate influence of the U.S. silver-purchase policy, the fundamental cause of the exports of silver from China has been the country's unfavourable balance of international payments. The extent of this unfavourable balance is indicated by the total net export of the precious metals. The Customs reports show that these amounted to \$83,000,000 in 1933 and \$311,000,000 last year, but to these total a substantial addition must be made in respect of the outward smuggling of gold and, in 1934, also silver. It is estimated that, including this smuggling of gold and silver, the net outflow of the precious metals from China was in 1933 about \$200,000,000 and last year no less than \$390,000,000. These figures show that China's adverse balance of international payments greatly increased last year.

The increase in silver holdings in Shanghai in recent years has been largely the result of the unbalanced trade position of the interior cities, which had to offset an excess of commodity imports by the transfer of silver to Shanghai. This silver becomes a temporary deposit by foreign traders in Shanghai, where it can be invested and transferred abroad as considered desirable. The amount of the net export of silver from China last year, as shown in the Customs returns, was about \$260,000,000, while the reduction in the silver stocks in foreign banks in Shanghai amounted to \$221,000,000 and in foreign banks in Tientsin \$41,000,000. This silver has been largely derived from sales of imported goods in the interior, and has been temporarily held in Shanghai banks as the financial centres. When bank holders see that it is profitable to remit these funds abroad, naturally they do so. Although the U.S. silver-purchase policy is immediately responsible for stimulating these transfers, it is fundamentally the country's adverse balance of international payments that creates the necessity for such exports.

According to the Customs reports there was an excess of merchandise imports into China amounting to \$887,000,000 in 1932, \$733,000,000 in 1933 and \$409,000,000 in 1934. Though the adverse balance of trade has increased in recent years the Chinese people are suffering more under the present burden of an adverse balance amounting to nearly \$500,000,000 than they did under the earlier unfavourable balance of \$200,000,000. The investment of foreign capital in China is not likely to be easily obtained. China's exports cannot quickly be increased, and, since it is necessary to conserve existing stocks of silver in China, steps must be taken without delay to reduce the necessity for imports and to encourage exports from China.

As regards imports it is necessary:

- (1) To improve the domestic production of such agricultural products as are still imported in large quantities from abroad, such as rice, cotton and wheat. The total value of imports of these commodities last year amounted to \$187,000,000, or almost half of the total adverse balance of trade in 1934. Until China can become self-supporting in such commodities the Government and people should co-operate in limiting consumption, and import tariff should be gradually increased over a period of, say, three to five years. Until China can eventually become self-supporting.
- (2) To discriminate between those works of construction which are essential and urgent and those which can be postponed.
- (3) To encourage the co-operation of importers with the Government in investigating the possibility of local production of commodities previously imported from abroad.

As regards exports it is necessary:

- (1) Immediately to remove the duty on commodity exports, which amounted in 1933 to about \$23,000,000 and in 1934 to about \$24,000,000. The amount of revenue which the Government receives from this duty after deducting the cost of administration must be relatively small, but the removal of the duty would pro-

vide a considerable stimulus to China's export trade, and be some compensation for the lower commodity prices, keener international competition and the handicap to exports of the higher price of silver.

- (2) To change the system of the inspection bureaux so that exporters may be relieved of the burden of inspection fees.
- (3) To improve the quality of export commodities, develop means of transportation and establish regularly in delivery. If the above measures can be carried out, the adverse balance of trade can unquestionably be greatly reduced, and the silver situation can be materially improved.

During the recent period of monetary strain and exchange tightness in the financial market there was much discussion whether a foreign loan, either to the Government or to business institutions, was indispensable to bring China through the crisis. Other countries which have experienced similar difficulties have entertained similar hopes. The prosperity of Shanghai is a matter which concerns foreign interests to a very considerable extent. Moreover, foreign banks have been so long established here that they have attained a position of responsibility in the financial market. Accordingly it ought not to be difficult to secure financial resources in Shanghai. But, as has been elsewhere, the supply of foreign capital is not unlimited, and is at times unable to solve a major crisis. While the crisis, confidence in the currency is reduced, so that the difficulty of inducing an inflow of foreign capital is even greater. Temporary relief from China's present difficulties may be obtained by means of a foreign loan, but, if this is not forthcoming, China must depend on her own resources. The first and most important step is that the Chinese people should decide to stand together in measures directed to bringing the crisis to an end. Such efforts may encourage assistance from abroad, but, if this help is not obtained, self-help and self-reliance will be more than ever necessary. Fortunately the Chinese people are noted for their thrift and ability to work hard, so that, provided there is close co-operation throughout the country, the unfavourable balance can eventually be eliminated.

Foreign Credit Standing

In China, although an improvement in agricultural conditions is the first essential for her economic development, an extension of transportation facilities and better prices for her products are also important factors in the establishment of a sound national economy. So far the development of means of communication in China has been mainly through railway construction, and this has been very largely dependent on the provision of foreign capital. Although China has such a dense population and such a wide territory, there are still only a few main railway lines to provide transportation facilities for the whole country, so that the construction of more railways with the assistance of foreign capital seems to be especially urgent. It is realized that the granting of such credit depends, on the one hand, upon financial conditions in other countries, and, on the other hand, upon China's credit standing.

Fortunately political conditions in China have improved, and the operation of the railways has been more profitable, so that loan service has been more regularly maintained. The construction of the Canton-Hankow Railway is to be completed by a definite date, and the building of the Yushan-Pingsiang Railway has already been started. From a period of inaction China has now passed on to a period of new railway construction. This is due to increased political stability and the efforts of the railway administration to restore its credit standing.

China's Foreign Trade

Last year China's total imports from abroad amounted to \$1,029,665,000 and her exports to \$535,214,000, showing a total foreign trade of \$1,514,879,000. As compared with 1933 there was a reduction in total imports of over \$315,902,000, and in total exports of over \$76,614,000, or a reduction in the total value of foreign trade amounting to \$392,516,000.

In 1933 there was a considerable decrease in exports from Manchuria, and the balance of trade between Manchuria and the rest of China was in favour of the latter, but at the end of 1933 there was a new Manchurian import tariff, which substantially increased the duty on, and restricted the exports of, cotton, flour and cigarettes from China. There was a decline of over 25 per cent. in exports to Manchuria during 1934.

In 1934 there was a decrease in the exports of all countries to China, the country experiencing the greatest decrease being Australia. Because of the decline in market prices, and an increase in China's import tariff, imports of wheat and flour from Australia were reduced from \$85,000,000 in 1933 to \$10,000,000 in 1934.

Australia's total trade with China fell from 6.32 per cent. of total imports in 1933 to 0.24 per cent. in 1934. Owing to decreased exports of cotton, piece-goods and iron and steel, Great Britain's exports to China declined last year by \$30,000,000 as compared with 1933. By means of the system of consular invoices that has now been put into operation it is possible to ascertain the original source of China's imports, so that it is not surprising that the recorded exports from Hongkong to China should be reduced, but, in addition, with China's imposition of a higher import tariff smuggling has increased. Hongkong's exports to China in 1933 amounted to \$48,000,000, but in 1934 were reduced to \$29,000,000. Because of China's reduced demand for rice, exports from India and French Indo-China each decreased by \$30,000,000.

The countries which in 1934 increased their imports from China were Great Britain, Australia, Netherlands, and French Indo-China, but in each case the increase did not greatly exceed \$1,000,000. There were decreased imports from China to all other countries, especially to the U.S.A., where the decline amounted to \$19,000,000; to Japan, whose imports from China decreased by \$14,000,000; and to France, where there was a decrease of \$11,000,000. Hongkong's imports from China decreased by \$20,000,000. China has until 1934 always exported to France more than she receives, but last year, owing to China's smaller exports of raw silk, there was for the first time an unstable balance of trade with France. Russia has also reached a position where her exports to China exceed her imports from this country. The U.S.A., Great Britain and Japan continue to occupy the leading position in China's foreign trade.

China's Imports

Last year China's total imports were valued at C.G.U. \$24,086,000 or \$1,029,665,000, a decrease of one-quarter from the total in 1933, which amounted to C.G.U. \$30,000,000 or \$1,345,567,000. With the exception of the miscellaneous group, there was a general decrease in all varieties of imports, the greatest reduction, nearly 50 per cent., being in articles of food, drink and tobacco. The reason for this last reduction was the great decrease in imports of rice, wheat, flour, fishery and sea products. There was also a decrease of 20 per cent. in imports of manufactured goods, chiefly due to a further decrease in purchasing power, especially in the agricultural areas. The decrease in imports of raw materials and semi-manufactured goods was quite small.

China's Exports

There was a further decrease in China's exports last year, the total being \$535,214,000, as compared with \$1,011,828,000 in 1933. China's exports consist chiefly of raw materials and semi-manufactured goods, such as raw silk, vegetable oils, metals and ores, furs and skins, seeds, bristles, and cotton yarn. Such goods comprise more than 50 per cent. of China's total exports. Because of the serious falling-off in exports of raw silk in recent years, China's export of raw materials was greatly decreased. In 1932 exports of raw materials amounted to \$440,000,000, in 1933 to \$336,000,000, and last year to \$284,000,000. Raw materials constituted 57 per cent. in 1932, 55 per cent. in 1933, 53 per cent. in 1934 of China's total exports. There was a small decrease last year in exports of articles of food, drink, and tobacco, which amounted to \$138,000,000, or 26 per cent. of the total export trade. The principal manufactured goods which China exports consist of cotton piece-goods; silk goods; drawn-thread goods; embroidery and lace; the annual export of each group varying between ten and twenty million dollars. There was a decrease in exports of manufactured goods from \$99,000,000 in 1933 to \$79,000,000 in 1934.

Agricultural Situation

Production and Prices.—Last year the total harvest of agricultural products showed a great decrease as compared with previous years. If the area under cultivation had remained unchanged, the production of cereals last year would have been equivalent to 82 per cent. of the previous year's production and the production of cotton equivalent to 73 per cent. There was, however, an increase of ten per cent. in the area under cotton cultivation, so that the yield per mou was even less. In 1933 it was the landowning farmers who suffered most because of poor crops, but last year the suffering extended to the peasant farmers.

Owing to the increase of land under cotton cultivation in recent years, and the increased use of American cotton seeds, it should be possible within four or five years' time to produce each year cotton sufficient for China's needs if the cotton-producing provinces will follow the example in cultivation of Shantung and Shensi. It is also worth noting that, as China already has an export of coarse cotton valued at thirty to forty million dollars, the country could even have an export surplus of cotton.

If improvements can be effected, China should be able to rectify her adverse balance of payments by meeting her own requirements of rice, cotton and wheat. During the present silver crisis it would be a great benefit to China if such a result could be achieved.

Agricultural Improvements

It is recognized that the principal causes of rural decline are the high costs of production and the low prices which the farmers receive for their agricultural products. The only remedy is clearly to reduce production costs and raise the price of agricultural products.

Some progress has been made during the past year in the work of rural rehabilitation, particularly as regards the following:

Irrigation Facilities.—Better irrigation facilities would help a great deal in reducing production costs and in improving the crop yield.

Provision of Financial Facilities for Agriculture.—In recent years there has been a widespread lack of capital in rural districts, and high rates of interest have been an important cause of the high cost of production. With the object of assisting to reduce the production cost of agriculture, develop rural economy and improve the living conditions of the peasants, Government and other financial organizations have been providing agricultural loans at lower rates of interest. There has been more prosperity in the country towns, agricultural prices have been more stable, the price of land has risen and the peasants are becoming better organized and more enterprising.

Education and Training.—The Government's efforts have already passed from the stage of planning to the introduction of agricultural improvement schemes and the training of specialists. Educational institutions are already undertaking on a wide scale experimental work for the prevention of floods and drought, peasant education and organization. It is too early yet to judge the value of this work but the benefit may be very great in the future.

China's Industries

There were considerable changes in China's industry last year. Industrial activity has been tending to move from the commercial centres, where there are greater financial facilities, an abundant supply of labour, cheaper supplies of electric power, etc., to the interior, where security is now greater, communications are improving, labour troubles are less, and there are the advantages of access to supplies of raw material and a local market for industrial products. During the past year industry in the commercial centres and ports has experienced greater difficulty in maintaining its position than factories in the interior; large-scale industries have incurred relatively greater losses than smaller units; but some well-managed undertakings have succeeded in making profits despite the difficulties of the situation last year.

Despite competition from abroad, there should be a promising future for Chinese industries, provided that, firstly, they improve their internal organization, reduce their cost of production and eliminate wasteful expenditure; secondly, they receive sufficient financial support; and, thirdly, the Government establishes a policy to safeguard industrial interests. China, with its rich resources, immense population and low level of wages, should find its existing industry unable to satisfy the demands of even the domestic market.

The Bank's Operations

In the first half of last year, due to the absence of liquid funds, there was a continued increase in deposits with the Bank, despite a reduction in its interest rates, and there was difficulty in employing these funds safely and at the same time profitably. With the development of the silver crisis in the second half of 1934, the situation was reversed, there being demands for accommodation on all sides and increasing tightness in the market.

The Bank's operations were made extremely difficult by this sudden change. In accordance with its long-established practice, the Bank had exercised restraint and close supervision in making loans during the period of easy market conditions, even at the cost of a loss of business; but when the market became tight, and the financial situation difficult, the Bank, as part of its recognized responsibility, tried to maintain normal conditions. However, what a bank can do in such circumstances may not be sufficient to meet every call from without, and there may also exist a difference of opinion regarding the urgency of various needs. Such circumstances naturally sometimes result in a lack of understanding between banks and their business clients, so that it is not surprising if a bank is not always able to please all its customers. Such a situation is, however, not confined to this country. China's economic recovery and development depend very largely upon co-operation between the banks

SHANGHAI WATERWORKS CO., LTD.

Profit for Year's Working of \$3,117,522.23: Present Tariff to Remain in Force

A profit of \$3,117,522.23 for the year's working of the Shanghai Waterworks Co., Ltd., was reported at the annual general meeting of the company held in its head office, 484 Kiangle Road, at noon on Friday, Mr. H. M. Little, chairman, was supported by Mr. A. W. Burkill, Mr. A. J. Welch, Mr. L. E. Canning, Mr. Stirling Fessenden, Mr. W. P. Lambe, directors, and Mr. R. Lock, secretary. Shares represented were 318,679 with proxies.

In his speech, the chairman announced that in view of the uncertainties of the present economic situation, the present tariff will remain in force until the end of the year.

Following is the chairman's speech: Revenue on intra-agreement consumers' account is \$5,335,351.25 as compared with \$5,827,176.68 for 1933. This decrease is due to the operation of the rebate of 20 per cent. applied as from April 1934 to which I referred last year, and in consequence of which the revenue for the last nine months of the year has been reduced as compared with the corresponding months in 1933.

Working Expenditure

Working expenditure, after deducting the sum charged to Extra-Agreement and Shipping Consumers' Account is \$2,217,829.02 as compared with \$2,115,242.79. As foreshadowed last year some increase in working

and business organizations, assisted by a full measure of government support. Great Britain's recovery from economic depression provides a good example of such co-operation, and the policy of the Bank of China is to try to create and develop a similar spirit in this country.

Summary

Total Deposits.—Total deposits at the end of 1934 amounted to \$546,693,902.59, an increase of \$7,409,374.43 as compared with 1933.

A decrease in the total of current accounts, and increase in the total of fixed accounts, is an indication of the economic conditions existing in China last year. People preferred to deposit their funds with a bank of some standing rather than make investments because of the reduced opportunity for profit-making in business. The reduction in the amount due to banks reflects the tightness in the market at the end of the year.

Loans.—The combined total of loans on December 31 last amounted to \$411,952,175.01, an increase of \$60,563,565.86 as compared with 1933.

On account of the great demand for funds at the end of last year the Bank's loans increased by fifteen per cent. Fixed loans increased by only four or five per cent., but short loans and overdrafts increased by 46.3 per cent. Because it is the Bank's policy to try to assist in the marketing of native products, the Bank held directly bills and documents in connection with the movement of goods from the interior to a record amount of \$40,800,000 at the middle of November.

Remittances.—The total remittances made by the Bank in 1934 amounted to \$834,233,000, an increase of \$79,512,000 over the preceding year.

Attention was drawn in last year's report to the tendency of remittances towards the ports, and particularly into Shanghai. This tendency continued last year, but, because of the lack of cash in the interior, persons were more inclined to carry cash with them than to make remittances.

Profit and Loss.—The net profit for 1934 was \$1,933,317.01. After deducting one-tenth, or \$193,331.70, for statutory reserve, as provided for in the Articles of Association, there remained a balance of \$1,739,985.31. This amount, added to the undivided profit for the preceding year, makes a total of \$1,746,854.59, from which a payment of \$1,729,854.59 was made as dividend to the shareholders on the usual seven per cent. basis, leaving \$16,671.59 to be carried forward to the credit of undivided profit account. The amount of \$287,800.00 of uncalled capital was paid up by the end of last year, but, as it ranked for dividend only as from January 1, 1935, the dividend referred to above was based upon a paid-up capital of \$24,712,200.

Business Activities

During the past year the Bank has maintained its policy of trying to develop the people's productive power and to restore the prosperity of the interior. Since the development of the silver crisis from June last, the Bank has found it necessary to take proper precautions to maintain financial stability, but the Bank, in order to avoid difficulties for commercial and industrial business, did not seek to contract its loans. Naturally such a dilemma placed financial institutions in an awkward position.

costs is to be expected owing to metering in general and in particular to the installation of individual meters in blocks to record non-domestic consumption; some 1,500 of this class of meter were installed during the year; thus expenditure on distribution and on management and general show increases which are, however, to some extent set off by a reduction in expenditure on supply. Apart from the benefit accruing from the demand from intra-agreement consumers having remained practically the same as last year, all expense accounts affected by sterling have felt the benefit of the more favourable rates of exchange ruling during the year as compared with those of the previous year.

The Net Profit

After deducting the working expenditure the balance remaining a profit and loss account is \$3,117,522.23 from which in turn is deducted sundry profit and loss items the debits amounting to \$291,447.60, a saving over the previous year of some \$33,000, leaving a net profit for the year of \$2,826,074.77.

After paying the full year's dividend on the sterling and silver capital and making up the equalization of dividend reserve to the full amount provided under the terms of our franchise agreement there remains a surplus of \$265,031.15 to be placed, in accordance with the agreement, to the credit of Tariff Revision Suspense Account. Thus for the first time during the seven years our franchise agreement has been in force the Equalization of Dividend Reserve has reached the figure contemplated by the agreement, but we have as yet been able to make no transfer to the General Reserve provided for in the agreement. In other words, our first line of defence is now complete but as yet no work has been commenced on the second.

On Extra-Agreement and Shipping Consumers' Account we have a net profit of \$104,346.64 as against \$101,512.58 for 1933. Owing to the higher exchange now ruling, we are able to recommend increased dividends on this account of 3/9 per "A" share and 2 1/4 per "B" share and to carry forward \$2,279.22.

The Balance Sheet

The Balance Sheet is made up in the same form as in previous years and I think calls for little comment. Real estate has been slightly increased by the purchase of two small lots in the eastern district to round off the works property and as was to be expected meters are the largest single item of capital expenditure. Sundry Debtors and Debt balances have decreased from \$1,253,236.13 in 1932, \$959,969.83 in 1933 to \$635,825.74 this year. The amount due from consumers included in this figure represents just under one month's revenue. This eminently satisfactory state of affairs has been brought about by the re-organization of our collection department and general metering.

On the liabilities side you will notice that the \$127,358.67 set free from the Debenture Sinking Fund Reserve by the redemption of the Debenture issues of 1921 and 1922 has been utilized as to \$75,887.45 in eliminating from the assets side of the Balance Sheet Underwriting Commission on issues of share capital and 1/10th calls for little comment. Depreciation Reserve and thus enabling the rate of depreciation on certain capital items to be increased as was considered desirable.

In referring earlier to the Equalization of Dividend Reserve and General Reserve as lines of defence, I do not wish to be understood as referring to the defence of dividends alone. In 1928 on signing the present franchise agreement the company accepted a limitation of dividends of a cumulative nature in return for being relieved of bearing the risk of exchange. Thus it can be readily seen that equalization of dividends carries with it the equalization or stabilization of water rates. Just as the rates for such an essential commodity as water must be fair and reasonable and applied without discrimination, so must they not be liable to anything in the nature of fluctuations.

Tariff Charges

In consequence, in view of the general uncertainties of the present financial situation which are only too well known to all present here, your directors feel that the present is no time for any hasty revision of the tariff of charges but have informed the Municipal Council that the company is prepared to continue the rebate of 20 per cent. now in force until December 31, 1935 and have proposed that the present tariff period be terminated at that date. This will allow the remainder of this year to be spent in examining the results of general metering so far obtained and in incorporating any adjustments that are found to

be desirable in a new tariff of charges to take effect as from January 1, 1935.

In reviewing the year 1934 the key note is consolidation; although as I have already said economic conditions are disturbed and the outlook is uncertain, from a waterworks point of view the year 1934 has been one of quiet consolidation. The year started six months after the completion of general metering and with an experience of but eight months of a somewhat experimental tariff of charges. This tariff of charges, the principles of which we believe are fundamentally sound, was then producing a revenue in excess of our requirements owing to the various causes I explained last year. To adjust this excess of revenue the rebate of 20 per cent. was put into force.

In referring to this rebate last year I said "the estimated revenue after deducting this rebate is so close to our estimated expenditure that any greater fall in consumption than we anticipate or any drop in sterling exchange may necessitate a smaller rebate for the ensuing year." Although consumption has not fallen to any great extent, the figures being intra-agreement consumption 1934 of 12,355,757,000 gallons, and in 1933 of 13,044,131,000 gallons, yet it has not increased, this fact together with a rise in the sterling exchange has produced the surplus to which I have already referred.

Water Meters Used

It is the universal experience of waterworks undertakings that the introduction of water meters results in the reduction of waste and we are no exception.

In a small undertaking the reduction may be expected to be immediate, comparatively large and therefore striking but in a city as large as Shanghai with a large and dense population, with a wide variation in the economic levels of its citizens and with its long experience of the fixed rate basis of charging, the reaction to general metering is slower and the reduction is evidenced rather by a period of cessation of increase and is therefore not so striking but is nevertheless effective.

In place of an annual increase of about 9 per cent. no increase in the demand for domestic purposes has occurred during the past three years and it is apparent that universal metering has effected a very considerable saving to the community.

During the year we have devoted our attention to the detailed working of the new tariff and to devising means of restricting unnecessary consumption. With this end in view the company had prepared a moving picture film which has been released on numerous occasions both at cheaper cinemas and on vacant lots.

The reduction in the per capita demand which is now approaching the figure we hoped to attain indicates that our efforts in this direction have not been altogether fruitless as does the steady increase in the number of individual meters.

In Stronger Position

Therefore it may be said that the close of the year 1934 sees not only your company in a stronger position than at any time since 1927 but also discloses to your consumers very favourable prospects of a period of stable and scientifically assessed water rates.

In framing a new tariff for the next period it is not our intention to make any radical change of principle but rather to make adjustments in the light of our experience of the working of the present tariff. For instance, in considering the application of any reduction that may be paid to the position of our industrial consumers and an attempt made to devise some means of relief for those landlords who assume responsibility for the payment of their tenants' water rates.

It is perhaps natural and possibly right that when the subject of water rates comes before the public, attention is focussed almost exclusively on the rates as they affect domestic consumption and here again I would emphasize what I stated last year, that consumers in low rental premises have to pay a rate of only 2.8 per cent. of that paid by those living in high rental premises; there are, however, other interests. As there are prospects that the new tariff of charges will retain some degree of permanency it is essential that all interests should be considered and a careful review of all circumstances made.

As to the physical side of your undertaking, the plant at Yangtze-poo and elsewhere has been maintained in its usual high state of efficiency and is fully capable of meeting all demands that may be made upon it.

High Standard Maintained

The water supplied to consumers throughout the year has complied with the high standard required under our agreement with the Council and a considerable amount of research work has been carried out

to ensure that this standard shall be maintained in the future and that any deterioration in the river water can be successfully dealt with. To render this water epidemiologically safe we have to effect a purification ten times as great as that required for Thames water.

We are still obtaining improved economy in our pumping plant owing to our policy of replacing older unit by more modern and economical machinery.

Our constructional programme during the year was again conservative, the total expenditure on new works being approximately the same as for 1933: the elevated reinforced concrete settling basin which I mentioned last year has now been completed and two new electrically driven primary pumps are now running.

Owing to our inability to lay new mains in the area west of the International Settlement, only two miles of mains were added to our distribution system during the year.

In addressing you in 1933 I reported the acquisition of land adjoining this office building, to provide for additional space required in the very near future. Additional office space has now been required for some time and during 1934 we had under consideration various schemes for the development of this property. However, when it became apparent that conditions were becoming increasingly worse, we thought it advisable to postpone the development contemplated, and in order to provide the necessary additional space we have adopted the temporary expedient of converting into offices the house that now stands on the property. The conversion is now in progress and is expected to be ready for occupation in June.

Supply in Western Area

In speaking last year of the franchise for the supply of water to the area west of the International Settlement, I ventured to hope that before this meeting complete agreement would have been reached. I regret to say my hope has not been realized. As I told you last year the intention was to form a new company to take over this company's plant and mains in the area, however, conditions are such at the present time that it has become impracticable to raise the capital necessary to float a company on the terms and conditions of the franchise as now offered. In view, however, of the serious situation that is now ruling in the western district which is preventing the natural development of that area, due to our inability of supplying fresh consumers, it behooves us to explore every channel, I ventured to hope, to alleviate this unfortunate state of affairs; so again I have to reiterate the fact that when I next address you, means will have been found to circumvent the present position.

Apart from our not seeing eye to eye on the subject of laying mains our relations with the officials of the City Government continue to be most friendly, as I am pleased to say are those with our fellow public utility undertakings.

Friendly Co-operation

It is with special pleasure I acknowledge the friendly co-operation of the directors and officials of the Chapel Electricity & Waterworks Co., Ltd., which has done much to smooth over some difficulties which arose in connection with the working of the agreement for the supply from our mains in the northern area.

It is with much regret that I have to refer to the untimely death of our Deputy Engineer-in-Chief and Manager, Mr. S. H. Bingham, and on behalf of the board I wish to express our condolences to his widow. Again I wish to express the appreciation of the board to our Engineer-in-Chief & Manager, Mr. Pearson and the staff for the very satisfactory manner in which they have carried out their duties and to Mr. Lock who has so ably filled the position of Secretary vacated by Mr. Walter.

The only change in the composition of the board has been the resignation of Mr. Bell when he retired from the arduous position of Chairman of the Shanghai Municipal Council and the appointment of Mr. Lambe in his stead. It is suitable here to record our appreciation of the good services and advice tendered by Mr. Bell and to welcome Mr. Lambe in his place.

In view of the increasing number of shareholders leaving Shanghai I would like to draw attention to the requirements of the Companies Act as to registration of shares on the Branch Register at Shanghai. The Act requires that a shareholder having shares registered on the Branch Register must be resident in China. It follows therefore that on losing the residential qualification it is necessary for such shareholders to transfer their holdings to the principal register in London.

The Resolutions

There being no questions, the following resolutions were passed unanimously:—

That the directors' report and accounts for the year 1934 be and they are hereby

CHINA GENERAL OMNIBUS CO., LTD.

Concern Making Steady Profit: Poor Currency Conditions in Shanghai

A profit of \$282,031.84 for the past year's working of the China General Omnibus Co., Ltd., was reported at the firm's twelfth annual general meeting held at the office of Messrs. Arnold & Co., Ltd., general managers, in the Sassoon House, at 4 p.m. on Thursday, Mr. H. E. Arnold, chairman, was supported by Mr. C. H. Arnold, Mr. Chun Bing-him, Mr. F. R. Davey, Mr. Ellis Hayim, directors, and Mr. V. Arnold-Jones, secretary. Shares represented were 145,040.

In his speech, the chairman stated that the firm is earning steady profit month by month. Regret was expressed at the poor currency conditions in Shanghai and the continued depreciation in copper coinage which has seriously affected the company's income. It was pointed out that no less than twenty different kinds of 20 cents pieces are in circulation here. In an effort to amercise overcrowding, the company has increased the mileage run, introduced double deck buses and also inaugurated two new routes. There are thirteen double deck buses on Route No. 1 run, and the number is expected to be increased to 24.

Mr. Arnold continued:—The increase in mileage run was commenced in May, and, although this action has also increased your company's costs, it has no doubt met with the approval of its patrons, and will thus, it is hoped, react to your advantage in the long run.

The double deck buses serve a three fold purpose. Firstly, they alleviate overcrowding and provide more comfortable accommodation. Secondly, they tend to relieve traffic congestion owing to the fact that they are capable of carrying nearly double the number of passengers on practically the same road area occupied by single deck buses. Thirdly, they earn a higher yield per mile due to their larger capacity, whilst the expenses of operation are not increased proportionally.

Double Deck Buses

The first double deck bus was put into service on Route No. 1, on April 1, 1934. By the end of the year seven were in operation, and at the present time thirteen of these vehicles are running, all on the same route. Each of these buses accommodates 32 seated and 12 standing passengers in the lower saloon, and 38 seated in the upper saloon, or a total of 82 passengers. No standing is permitted in the upper saloon and, in consideration of the extra comfort, a slightly higher fare is charged for the upper saloon.

These buses are erected, and the bodies designed and built in your company's workshops in Shanghai. The construction of these vehicles locally results in a saving of at least \$10,000 per bus and gives employment to nearly 150 Chinese workmen in excess of the normal staff. These vehicles are fireproof and are powered by diesel oil engines. Modern ideas have been adhered to with regard to the use of non-inflammable materials. Aluminum sections and sheets are used throughout in the construction of the bodies.

Your company's present programme provides for a service on Route No. 1, of 24 double deck buses, including the thirteen already in commission.

New Route Operating

A new route, known as Route No. 12, which operates between the Garden Bridge and St. Georges via Peking and Avenue Roads, was inaugurated on December 11, 1934. Up to the present this route has not been

received and adopted and that the balances at credit of profit and loss account and of extra-agreement and shipping-consumers' account on December 31, 1934, be disposed of as recommended by the Directors, proposed by Mr. H. M. Little and seconded by Mr. A. W. Burkill.

That dividends for the half year ended December 31, 1934, of 3½ per cent. on 100,000 of the 7 per cent. Cumulative Redeemable Preference Shares and of 3½ per cent. on 100,000 of the 6½ per cent. Cumulative Redeemable Preference Shares be declared and paid, and that a final dividend on Intra-Agreement Consumers' Account for the year ended December 31, 1934, of 5½ per cent. on "A" shares, 3½ per cent. on "B" shares and 4½ per cent. on "C" shares be declared and paid, proposed by Mr. H. M. Little and seconded by Mr. A. W. Burkill.

That a dividend on Extra-Agreement and Shipping Consumers' Account for the year ended December 31, 1934, of 3/9 per cent. on "A" share and 2½ per cent. on "B" share be declared and paid, proposed by Mr. H. M. Little and seconded by Mr. A. W. Burkill.

That Mr. H. M. Little, Mr. L. E. Canning, O.B.E. and Mr. A. J. Welch be and they are hereby re-elected directors of the company, proposed by Mr. A. W. Burkill and seconded by Mr. T. Wallace.

That Messrs. Lowe, Bingham and Matthews be and they are hereby re-appointed auditors of the company until the next ordinary meeting and that their remuneration be \$3,500, proposed by Mr. T. Wallace and seconded by Mr. R. E. Stewardson.

well patronized, but it is hoped that as soon as it becomes better known, it will gain public support.

On November 19, last year, a skeleton service, known as Route No. 1A was put into service during the rush hours. This route runs from the junction of Columbia and Great Western Roads, via Great Western Road to St. Georges, and thence along Route No. 1 to Hongkong Park and back.

A supplementary Route No. 1A S, was inaugurated on December 19, 1934. This short route maintains a service throughout the day between St. Georges and the junction of Columbia and Great Western Roads.

In compliance with popular demand, monthly season tickets were re-introduced on November 1, last year. These tickets are issued at a charge of \$10 per month for adults and \$6 for school children under seventeen years of age.

Currency Conditions

I regret to report that copper coins have continued to depreciate and that local currency conditions have not improved. Over twenty different types of 20 cents pieces of varying values have been in circulation, although most of these coins are issued and accepted in small quantities by many of the exchange shops at full value, if tendered in large quantities they are refused. Such a state of affairs naturally adds to the difficulties of operation.

The steady depreciation in copper coinage, has seriously affected your company's income. The average exchange rates for the years 1931 to 1934 inclusive were 270.8, 289.3, 305.7 and 319.0 coppers to the silver dollar respectively, whilst since the Chinese New Year 1935, the rate has dropped to over 330. Comparing the year under review with the previous year, coppers have depreciated 4.17 per cent., equivalent to a loss by exchange of approximately \$87,000. The difficulties of operating a public utility company on a fine margin of profit, when its income is almost entirely in coppers, and its expenses in silver which bear no fixed relation to each other, can readily be appreciated. It is earnestly hoped that the Chinese Government will soon find itself in a position to stabilize subsidiary coins on a firm basis.

During the year under review your company was reluctantly obliged slightly to increase its fares. This increase was necessitated by the depreciation of copper coinage, and the higher cost of diesel oil fuels consequent upon heavy import duties levied on fuel oils of high Kerosene content. Since the increase the average fare paid amounts to less than fifteen coppers per passenger. Considering the service provided the long distance fares, which work out to a little over an English farthing per mile, are very reasonable.

Complete Harmony

It is gratifying to report that during the year we have experienced no difficulties or disagreements with our employees, and that the maintenance of satisfactory relations between them and your company continues to have the sympathetic care of the senior officials. The entire staff is working in complete harmony and every effort is being made by the management to encourage the fraternising of all departments by the promotion of recreation during the staff's leisure.

The diesel engine fleet continues to perform satisfactorily, although recently there has been a recurrence of smoke nuisance, which I am pleased to say, has now abated, and it is anticipated, will be eliminated in the near future. It is only by the employment of diesel engines, that the fares can be maintained at the present level.

Your company is now earning a steady profit month by month and provided the copper exchange rate does not depreciate unduly, it is anticipated, that the debit balances brought forward from previous years will be converted to a credit balance in the Profit and Loss Account at the end of this year.

Statement of Accounts

Turning to the statement of accounts, it will be seen that credit balance of \$282,031.84 has been transferred from the Working Account to the Profit and Loss Account, and that after allowing for interest, directors' and auditors' fees a balance of \$186,694.51 remain. Upon deducting this amount from the debit balance brought forward from the previous year a debit balance of \$33,769.45 is outstanding in the profit and loss account at the close of the year 1934, which amount will be brought forward into the new account.

Referring to the balance sheet, and considering the liabilities first, your capital remains unchanged at \$2,797,202.80.

A sum of \$1,334,217.61 is owing to the company's bankers, which debt is secured by a debenture on the company's assets. Since the beginning of last year, this debt has been reduced by \$84,991.91 and including the current account held by the General managers, the total reduction in your company's indebtedness amounts to \$127,141.77. This is satisfactory in view of the capital outlay on double deck buses and workshop plant during the period under review. It might be mentioned that the interest paid on the Loan was at the rate of 6.5 per cent. per annum, but at the same time your company received the same rate of interest on its current account. Such accommodation is very satisfactory in view of the present tightness in the money market.

Depreciation Reserve

The bus depreciation reserve has been augmented by \$167,646.15 bringing it up to \$975,352.20 which less \$33,271.61 written off on account of discarded petrol engines, wheels and bodies, leaves a balance in the depreciation account of \$942,080.59.

Your board is of the opinion that the above allocation to depreciation reserve is adequate, in view of the fact that the longevity of the company's fleet is ensured by continually maintaining it in first class condition, with the result that the buses will be capable of operating a much larger mileage total than originally estimated. In support of this opinion I may mention that a sum of \$243,825.54 has been expended on maintenance, and in addition \$32,266.09 including accrued depreciation has been written off on account of discarded petrol engines, wheels, and bodies.

Tyre Reserve

The tyre reserve stands at \$137,624.02, which reserve is nearly equal to a sum sufficient to re-equip the whole of the fleet with tyres. Whilst on this subject, I may mention that the average life of the large size tyres is very satisfactory. Several of these tyres have approached and some exceeded the figure of 120,000 miles. This reflects great credit both on the suppliers and also on the methods of maintenance and supervision employed by the company's staff. Sundry creditors' accounts have since all been liquidated.

Tokens issued represents the value of tokens in the hands of the public. Turning to the assets side, land account shows a small addition of \$2,240.66 occasioned by the cost of material used in covering over a creek alongside the company's buildings, and by expenses incurred in transferring part of the property from U.S. Consular Lot to British Consular Lot.

The small increase of \$1,559.09 in buildings represents the cost of a paint shop extension to the garage for the purpose of painting double deck buses.

Rolling Stock Account

The increase in rolling stock account is due to the construction of twelve double deck buses of which seven were completed by the end of the year; the installation of diesel engines in six single deck buses previously petrol operated; the reconstruction of several single deck bus bodies in aluminium, and the cost of twelve unused diesel engines debited to rolling stock.

The addition of \$15,484.72 to the plant account has resulted from the cost of installing a lubricating oil filtering plant, and special machinery necessitated by the increased constructional activities of your company. It is anticipated that the oil filtering plant will reduce lubricating oil expenses by about \$1,000 per month during the present year.

Certain small necessary additions have been made to running equipment and furniture and fittings. Stores stock has dropped \$39,580.95 which is very satisfactory in view of the increased activities of your company.

Sundry Debtors and debit balances have largely been liquidated, provision having been made for sundry small doubtful debtors.

The Resolutions

No questions were asked and the following resolutions were passed:

That the statement of Accounts for the year ended December 31, 1934 as audited and presented be passed—Proposed by Mr. H. E. Arnold, and seconded by Mr. F. R. Davey.

That Mr. F. R. Davey and Mr. Ellis Hayim be re-elected directors of the company—Proposed by Mr. H. E. Arnold, and seconded by Mr. Chun Bing-him.

That Messrs. Lowe, Bingham & Matthews be re-elected auditors of the company—Proposed by Mr. Ellis Hayim, and seconded by Mr. F. R. Davey.

G. E. MARDEN & CO., LTD.

The sixth annual general meeting of shareholders of G. E. Marden & Co., Ltd., was held in the offices of the secretaries, Messrs Wheelock & Co. Ltd., 2 French Bund, on Friday afternoon, there being an attendance representing 74,350 shares: Mr. G. E. Marden, Chairman and Managing

Director, president, and there were also present Messrs. F. R. Davey, G. W. H. Booleen, V. K. Song, Directors, with Mr. W. J. Hawkins, Manager, and Mr. E. A. G. May, representing the secretaries.

The notice convening the meeting and the auditors report having been read, the Chairman spoke as follows: The net profit for the year amounts to \$115,425.48, which added to the amount brought forward, viz: \$36,853.52, gives a total available balance of \$152,279.

Little comment is required on the liabilities side of the balance sheet. As resolved last year, a general reserve was established and it is proposed to increase it this year to the round figure of \$100,000.

Turning to the assets, it can be observed that there have been certain additions to the leasehold property, which is depreciated to the extent necessary to allow buildings to be entirely written off when leases expire. Vehicles and launches, too, are well depreciated.

The greater part of the amount standing at sundry debtors has been collected and it is considered that the bad debt reserve is ample.

The difficulties under which business generally has been labouring, especially during the latter portion of the year under review has, of course, affected the company's activities.

Competition is as keen as ever but the company continues to hold its high place in public regard. There being no questions, the following resolutions were put and passed unanimously:—

That the Report and accounts as presented be adopted, proposed by Mr. G. E. Marden, seconded by Mr. G. W. H. Booleen.

That the amount standing at credit of the profit and loss account viz: \$152,279.00, be allocated as follows:—

To pay a dividend of \$1 per share \$ 75,000.00
Write off Debenture Discount and Underwriting Commission \$ 2,699.30
Transfer to General Reserve \$ 37,082.94
Carry Forward \$ 37,516.76

\$152,279.00

Proposed by Mr. G. E. Marden and seconded by Mr. F. R. Davey.

That Mr. G. E. Marden and Mr. V. K. Song, who retire in accordance with the Articles of Association, be re-elected directors of the company, proposed by Mr. G. W. H. Booleen and seconded by Mr. F. R. Davey.

That Messrs. Thomson & Co. be re-elected auditors to the company at a remuneration of Tls. 850, proposed by Mr. F. R. Davey and seconded by Mr. V. K. Song.

SHAI TUG & LIGHTER CO.

The 32nd annual general meeting of shareholders of the Shanghai Tug & Lighter Co., Ltd., was held on Friday afternoon in the offices of the secretaries, Messrs. Wheelock & Co. Ltd., 2 French Bund. Mr. G. E. Marden presided supported by Messrs. F. R. Davey, P. H. Bordwell, E. Hayim, directors, while Capt. G. S. Weigall, General Manager, and Mr. E. A. G. May, represented the secretaries, and shareholders representing 25,463 shares.

The notice convening the meeting and the auditors report having been read the chairman spoke as follows:

From the profit and loss account it can be observed that the profit on the actual working is somewhat in excess of that for 1933, although they had not been so fortunate in the sales of investments and real property. Depreciation has been allowed for to a larger extent than in the previous year and is now on a fixed scale.

On the liabilities side of the balance sheet nothing calls for comment except the investment fluctuation reserve which has been reduced by the amount of the fall in the market value of the securities. Although there has been a further fall since the end of the year it might not be considered too great optimism to venture to say that the tide has actually turned and with the definite indications of improvement which are now apparent, he had every hope of gradual appreciation.

Turning to assets some additions during the year can be observed. This item is largely due to part payment of the cost of a new harbour tug which it is expected will be completed during the summer.

The loan to Wheelock & Co., Ltd., has since been liquidated.

At their last meeting, he, the chairman, had referred to unrest amongst the company's native staff, which had culminated in a strike in January of last year when some violence was manifested and, whilst it would be incorrect to say that any bad feeling still exists between the men and the management, some of the men continue to show a sad lack of appreciation of the realities of their position. A list of "demands" was presented in June last although certainly in no dictatorial manner and the general demeanour of them is quite satisfactory. In February of this year an increase in the scale of New Year's gratuity to the crews of the lighters was to some extent enforced upon the management, and it is amongst these crews, largely casual labour, that the unrest centres, although their conditions are much superior

to those obtaining on the lighters of competitors.

The directors have decided to establish a contributory scheme for retirement benefits to the employed native staff and at the same time lay down the exact conditions of employment. This represents the limit of concession but it is hoped that such generous treatment will result in a perfectly loyal and contented staff and the cessation of all unrest.

No extraordinary towage was undertaken, but most valuable services were afforded by the rescue and salvage tugs to vessels in distress on the Yangtze. These included Heron, 13,000 tons D/W, in Silver Island Pass, and Jefferson Meyers, which had been ashore for five days and on which much effort had been expended by other parties before we were called in. A notable feat performed by the Saucy and the Dominic was to proceed to Nanking to the assistance of the Chinese Cruiser Ninghai, refloat her and return to Shanghai in 46 hours.

The chairman recalled that he had referred last year to the organization of a new salvage department and to an increase in personnel and equipment. It has now been decided to amalgamate this department with a formerly competitive organization and to form a subsidiary company under the Hongkong Ordinances to be called Far Eastern Salvage Association, Ltd. In conjunction with these friends they despatched a salvage party to the wreck of the City of Cambridge on Pratas Reef to the Eastward of Hongkong. Unfortunately she was found to have been thoroughly looted by fishermen pirates and completely gutted by fire.

Other activities under similar auspices have been on the cargo of the Hervar sunk off Pootung Point, the cargo and hull of the Kian at Tung-shan Yangtze River, which culminated in the successful towing of the vessel into port in two positions. Works proceeding are the hull of the Hervar and their own tug St. Aubin which was sunk by collision in Section 9 of the harbour on March 8, happily without loss of life. The ss. Saucy and a salvage party have proceeded to the Revenue Cruiser Hai Ho which has stuck on an uncharted rock to the south of Pootung. There has been a great falling off in the movement of cargo for reasons only too familiar all the past year.

There being no questions, the following resolutions were formally put and passed unanimously:—

That the report and accounts as presented be adopted, proposed by Mr. G. E. Marden and seconded by Mr. E. Hayim.

That the amount standing at credit of the profit and loss account viz: \$123,881.75, be appropriated as follows:—

To pay a dividend of 7 per cent. on 1,000,000 Preferred Shares, viz: Tls. 35,000 at Exchange 71.5 \$ 48,951.05
To pay a Dividend of \$2.50 per Share on 20,000 Ordinary Shares \$ 65,000.00
To carry Forward \$ 9,930.70

\$123,881.75

Proposed by Mr. G. E. Marden and seconded by Mr. F. R. Davey.

That the appointment of Mr. E. Hayim and Mr. F. R. Davey as directors of the company be confirmed, proposed by Mr. P. H. Bordwell and seconded by Mr. G. E. Marden.

That Mr. G. E. Marden, who retires in accordance with the Articles of Association, be re-elected a director of the company, proposed by Mr. F. R. Davey and seconded by Mr. C. Hayim.

That Messrs. Lowe, Bingham & Matthews be re-elected auditors of the company for the ensuing year at a remuneration of Tls. 1,000 per annum, proposed by Mr. E. Hayim and seconded by Mr. P. H. Bordwell.

MILLINGTON, LTD.

Millington, Ltd., on the basis of the last year's working, largely on the strength of the results of the latter six months, progressed from a loss of \$168,414 to a profit of \$8,536 as a direct outcome of the reorganization effected during the year in capital adjustments.

Mr. E. F. Harris, chairman, was supported by Mr. F. C. Millington, managing director, Mr. S. A. Seth and Mr. N. W. Hickling, directors, with shares 17,264 represented, at the fifth annual general meeting on Friday afternoon in the office of the company.

Taking the report of the directors and the audited accounts as read, the chairman, in the course of his speech said:—

The directors are pleased to be able to report a credit balance at profit and loss account amounting to \$8,536.82, and, but for the loss shown by the Hongkong branch, this balance would have been considerably larger.

The capital was reduced during the year from Tls. 5 per share to \$4 per share, following a special resolution passed unanimously at an extraordinary general meeting held on June 23, 1934. This reduction of capital made available the sum of \$329,230.77 for writing down assets and the extinction of the debit balance at profit and loss account. The loss to June 30, 1934, amounting to \$6,976.21 was also written off and the balance now standing at profit and loss account in real-

ity represents the profit made during the second half of the year.

The Shanghai office shows a profit of \$17,842.31 but it is regretted that it is necessary to report a loss of \$9,305.49 by the Hongkong branch. Of this loss \$4,510.00 is non-recurring expenditure and has been incurred in writing off several old items which they were not able to clear up at the time of the reduction, in creating additional reserves against seamen's accounts, and in providing additional depreciation on furniture and fittings. The directors are keenly alive to the necessity of making a success of that branch or of closing it down and are watching the position closely. A recent change has been made in the management and reports from Hongkong, in the opinion of the directors justify them in carrying on with that branch, which it is expected will show a profit this year.

Continued efforts have been made to clear up outstanding accounts. That many of these were bad was foreseen at the last annual general meeting, at which time a reserve of \$93,636.55 was shown on the balance sheet. The reserve of \$37,328.91 provided in the accounts under review is considered adequate.

The Investment account includes a loss to the managing director. This loss is satisfactorily secured and interest at 6 per cent. is being paid on it.

The Insurance Investment represents dividends declared and premium paid by the company since its formation on a policy covering the life of the managing director. A contra figure is included in reserve account. Stocks have been valued at a conservative figure. Work in progress mainly represents unfinished work on the printing presses.

At the conclusion of the chairman's report, Mr. E. F. Millington proposed a vote of thanks to the chairman and on behalf of all associates of the company wished him a happy home-leave holiday. Mr. Harris in reply said it had been a pleasure working with his fellow directors and expressed the opinion that the tone among the staff was excellent and pointed in every way to a successful year.

There being no questions the following questions were put to the meeting and passed:—

That the report and accounts as presented be passed, proposed by Mr. S. A. Seth.

That Mr. E. F. Harris and Mr. S. A. Seth be re-elected directors for the coming year, proposed by Mr. N. W. Hickling and seconded by Mr. J. Heyman.

That Messrs. Lowe, Bingham & Matthews, Ltd., be elected auditors for the coming year, proposed by Mr. F. C. Millington and seconded by Mr. F. C. Millington.

CHEMOR UNITED RUBBER

A final dividend of one cent per share was declared at the meeting of the Chemor United Rubber Co., Ltd., in the offices of Messrs. J. A. Wattie & Co., Ltd., secretaries and general managers, 20 Canton Road, on Thursday, May 2, 1935. Mr. A. J. Welch, chairman, was supported by Sir Elly Kadoorie, Mr. L. E. Canning, directors, and Mr. C. F. Shackleton, secretary. Shares represented were 250,500.

The chairman said: "Before the formal business of the meeting I would like to give expression to the deep regret felt by the board at the death of their colleague Mr. F. W. Sutterle who died on March 26, Mr. Sutterle, who always took the keenest interest in the affairs of the company, had been a director since 1915 and the benefit of his experience and advice will be sorely missed by those of us who remain."

The working for the year has resulted in a profit of \$48,133.59 as compared with a profit of the preceding year of only \$4,622.74.

The chief factors that contributed towards this satisfactory result were an improvement of 2.85 pence per pound in the price realized for our product and the bringing into tapping once more in September of Batu Dua Estate and thus relieving Chemor Estate of the necessity of providing funds for its monthly upkeep.

Out of this profit an interim dividend of 4 cents per share was paid on September 19 and it is now proposed to pay a final dividend of one cent per share thus making a total distribution for the year of five cents per share.

The financial position of the company is not too strong but after payment of the proposed dividend our liquid assets will still exceed the liabilities by over \$10,000 and so long as rubber remains at its present price the position is improving by a substantial sum each month.

Turning now to the estates I will deal with matters on Chemor Estate first.

The whole of the planted area is now treated as mature although there are still many trees on the 30 acres of young rubber that are not yet of a tappable size.

As regards weeding the whole estate is in good order, a small amount of sporadic fallow crops up at times but this is dealt with by the weeder in their regular rounds.

Neither pests nor diseases gave any special trouble during the year although there were the usual number of losses amongst the older trees from root disease.

The supply of labour was sufficient during the year but difficulty was found in retaining a sufficiency of skilled tappers and an increase in wages had to be granted in order to retain the services of a full force. The general health of the force was reasonably satisfactory.

The standard of tapping was maintained at a satisfactory level and the output averaged 464 lbs. per acre per annum over the whole planted area.

All buildings and machinery were given the necessary upkeep and are reported to be in good order.

Speaking generally the Estate is in good condition and there is no special work that needs to be done that cannot be dealt with in the monthly weeding round.

Turning now to Batu Dua Estate tapping operations recommenced over 300 acres on September 17, the output for the 3½ months being 52,290 lbs. The remaining 258 acres, which consist of very poor rubber, are being left untapped for the time being. The seven acres replanted in 1929 are reported to be making slow but steady progress.

The gardens are reported to be in a reasonable state of upkeep and comparatively free from pests or diseases.

The buildings, generally speaking, were kept in good condition except for the manager's bungalow which has been badly attacked by white ants but this is not of any great importance as it is extremely unlikely that this building will ever be required again.

All necessary attention is being paid to essential matters and the property is not being allowed to deteriorate in any way.

We have just received information that the standard production for 1935 for the two estates has been set at 605,416 lbs.

In conclusion I would like to record our very best thanks to the two managers, the visiting agent and the agents in Penang for the successful manner in which they have collaborated to bring the properties through the past three or four years of acute depression in the rubber industry.

No questions were asked, and the following resolutions were passed:—

That the directors' report and statements of accounts for the year ended December 31, 1934, as presented be adopted and passed.—Proposed by Mr. A. J. Welch, and seconded by Mr. L. E. Canning.

That a final dividend of one cent per share, making a total of 5 cents per share for the year, be paid.—Proposed by Mr. A. J. Welch, and seconded by Mr. L. E. Canning.

That Messrs. Lowe, Bingham & Matthews be re-elected auditors to the company.—Proposed by Mr. C. F. Shackleton, and seconded by Mr. D. E. Levy.

HONGKONG & WHAMPOA DOCK CO., REORGANIZED

Hongkong, Mar. 25. Shareholders of the Hongkong and Whampoa Dock Company, in an extraordinary meeting here this afternoon, decided to write down the

company's capital, write off reserves and issue fresh capital.

Officials of the company estimated that the changes in capital structure would save the concern annually HK\$100,000 in depreciation and cut off a HK\$60,000 bank overdraft.

The changes will not, however, produce any actual benefit until 1936.

Mr. W. H. Bell, presiding, stated that it was useless to continue the policy of writing down worthless assets and indicated that the reorganization would put the company on a dividend paying basis by next year.

The underwriting of the new capital shares already has been arranged.—United Press.

COMPANY DIVIDENDS

Shanghai & Hongkew Wharf Co.

At a meeting of the Board of Directors of the Shanghai & Hongkew Wharf Co., Ltd. held last Wednesday it was decided that, after providing for the interim dividend of \$3 per old share and \$2 per new share which absorbed \$170,000, the shareholders should be recommended to appropriate the remaining balance at credit of Profit and Loss Account on December 31, 1934, of \$566,558.07 as follows:—

To pay a final dividend of \$7.50 per share on 50,000 old shares \$375,000.00
\$5.00 per share on 10,000 new shares 50,000.00
To Place to credit of reserve Fund 1,846.25
To Pay a Bonus to Staff 14,300.00
To Carry forward 125,411.82

\$566,558.07

The annual general meeting of the Company will be held at 4 p.m. on Friday, April 26, 1935.

Java Consolidated Rubber & Coffee

At a board meeting held on Thursday of the Java Consolidated Rubber & Coffee Estates, Ltd., the directors decided to recommend to the shareholders at the forthcoming annual general meeting, to be held on April 16, that a dividend of five China dollar cents per share for the year ended December 31, 1934, be paid.

Shal Land Investment Co., Ltd.

The board of directors of the Shanghai Land Investment Co., Ltd., announce that it has been decided to recommend to shareholders at the forthcoming annual general meeting that the net profits for the year ended December 31, 1934, be dealt with as under:—

The net profits for the year ended December 31, 1934, including the amount brought forward from the previous account amount to: \$1,996,172.78
After deducting the amount of interim dividend paid on July 31, 1934 589,090.91
There remains a balance for appropriation of 1,409,081.87
The Directors recommend that this sum be dealt with as follows:—

To pay a final dividend of 4 per cent. making 10 per cent. for the year, Tls. 230,000 at Tls. \$ 392,727.27
Transfer to Bad Debts Reserve 61,769.26
Transfer to Reserve Account 231,542.25
Transfer to Reserve for Loss of Rents during Reconstruction 100,000.00
Carry forward to a new account 623,023.09

\$1,409,081.87

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SPORTS AND PASTIMES

RIOT ENDS SOCCER GAME AT STADIUM

Crowd Swarms on to Ground During League First Division Match After Assault on Referee

AN amazing scene occurred at the Stadium on Saturday, when the first division soccer league game between the Police and Tung Hwa had to be abandoned fifteen minutes from time, when the former were leading 3-2. A member of the Tung Hwa side kicked and struck the referee, O. G. R. Beynon, after which the crowd swarmed on to the field, and many fights occurred, the Police managing to get safely clear of the ground taking Mr. Beynon with them.

Only two matches formed on Sunday's local league soccer programme, but of these the Three Cultures v. S. M. Police game at Hongkew Park proved an enormous attraction. A splendid game was witnessed and resulted in a 2-2 draw. This completed the season's bill for the former, with them still one point in front of the day's rivals, but the latter have a match in hand. The other game between the A.S.F. and the Recs ended with the former convincingly defeated by 7-1, their side including several reserves.

The third division game did not take place, the A.S.F. second eleven forfeiting the points to the Tung Hwa juniors.

The annual contest between the S.M.F. foreign and Chinese Specials took place in the morning at the Stadium, where the foreigners again severely trounced their opponents to the tune of 13-0.

Riot Ends Game at Stadium

A game marred by many minor infringements came to disaster when an assault on the referee was followed by the spectators at the Stadium rioting. The match ended fifteen minutes from time with the score reading: Police 3, Tung Hwa 2.

Prior to this there had been a great deal of whistling. Tung Hwa, with an unbeaten league record and the championship assured, took things easy, while the Police played with energy. One or two incidents apparently went unnoticed by the referee, which did little to please the crowd of 4,000.

At the Police end an apparent case of handling by Shute passed with the referee unsighted. A few minutes later handling by Kwan, however, was seen, and a penalty against Tung Hwa given. T. U. Loh and his team appealed to the referee, and an argument which lasted some five minutes took place. The referee was adamant, and Bader took the spot kick while Loh was sauntering back to his goal. The ball entered the net and a goal was given.

Referee Assaulted

After another argument with the referee, the Police side at the same time endeavouring to calm their opponents, the teams took their position for the re-start. The referee blew his whistle for the ball to be set in motion. N. Z. Lee kicked off and simultaneously, to the amazement of all, another Tung Hwa player dashed up to the referee and kicked him.

The referee retreated into Police territory, but was not quick enough to evade a blow to the face from the same player's fist. Then the crowd got busy, and started to swarm on to the field of play.

Four of the Police team immediately closed in on the referee and escorted him from the field, while the rest of the Police side formed a protective screen behind, with a howling mob coming up to attack them. One of the Police eleven was attacked (from behind) by one of the mob: the former turned quickly and a second later his opponent was sprawling on the ground.

The Police team and the referee then managed to get out of the grounds without further assault, but in the mean time, many other fights had occurred amongst the participants of both sides and the spectators. Subsequently most of the crowd gathered around the office of the Chinese National Amateur Athletic Federation, demanding loudly for the return of their money. The staff locked themselves in, and Chapel police—the Settlement boundary runs just inside the Stadium main entrance gates—tried to tell the crowd to go away. This the crowd, after an hour and a half, did, but not without first venting their spleen by breaking several windows. A squad of Shanghai Municipal Police, summoned hurriedly from Gordon Road station, stood by for trouble at the gates, but nothing further developed.

S.M.P.—Tetsall; Murray, Shute; Mann; Gibson, Hurry; Woodley, Bader, Wylie, Boddy, Wilkinson. Tung Hwa—U. Loh; S. O. Kwan, N. Lee; N. H. Feng, Z. T. Ting, S. S. Koo; Y. L. Chia, N. H. Chang, N. Z. Lee, C. K. Chen, S. H. Van.

A.S.F. Beaten by Three Cultures

The Three Cultures defeated the A.S.F. by five goals to two at the Canidrome. The game from the spectators' point of view as very disappointing and the listlessness of the players showed end of season staleness. Only the brilliance of Wong in the Cultures' goal revealed any actual keenness and his marvellous display was mainly responsible for the score against them not being more. The state of the ground was not conducive to good football, the surface being heavy and the length of the grass uneven in parts. A number of reserves were turned out by each team, and the A.S.F. made many positional changes during the game in an effort to penetrate their opponent's defence.

Three Cultures—Wong; Kiang, Loh; Lee, Liang, Yung; Cheng, Yee, Suen, Chen and Liu.

A.S.F.—Remond; Goorchenko, Marcal; Bell, J. Ward, Peniguel; Favacho, Nicholeff, Bossuet, James Ward and Monnot.

Referee—S. E. Burt.

Innskillings and Recs Draw

Only a few minutes from the end, the Shanghai Recreation Club managed to equalize with the Royal Innskillings Fulliers in a senior league engagement at Hongkew Park, the match ending at 2-2. Both elevens fielded an equal complement of reserves, and although the score indicates otherwise, the Recs were decidedly the superior combination throughout. Their failure to register a convincing win can only be blamed on their lack of finish.

Recs—K. Roberts; Neubourg, Strandgaard; Greaves, Symons, Leriou; Brodd, Baker, Cochran, Ryan, Hutchison. Innskillings—Smeaton, Summer, Rolis; McQuade, McFarlane, Mount, Campbell, Vosper, Docherty, Callan, Nixon.

Police and Cultures Draw

The Shanghai Municipal Police put up a splendid show to draw with the Thru Cultures at Hongkew Park, both teams retiring with two goals apiece, all of which were taken in the first half on Sunday.

An enormous crowd of approximately 7,000 spectators was massed around the ground, and possibly in anticipation of a recurrence of Saturday's fracas at the Stadium a large number of Municipal Police were present on duty in the event of any trouble, but everything went off smoothly. Several sections of fencing were broken down, but that was only due to the enthusiasm of the supporters, who in places stood twenty deep.

The game throughout was very clean and conducted in a very sporting manner by both sides. Each eleven had played on the previous day, but neither showed signs of being slack. The Police were unchanged, while the Chinese fielded three reservists.

K. S. Suen was undoubtedly the outstanding player on the field, and despite the fact that he was generally marked by at least two of the opposition, his work was pretty to watch. Individually the rest of the Cultures' attacking department were up to standard, but lacked their usual cohesion. Liang, who had already played in a game for the Chinese Specials the same morning, did fine work as pivot, while Kiang, although at times brilliant, was very erratic and allowed many penetrations.

Fine Showing by Police

The Policemen with their present depleted team, gave what is considered to be their best performance for many weeks. Tetsall's performance between the posts was reminiscent of his past interperior records. Murray and Shute were stout defenders, being capably assisted by Gibson. The latter also did fine work in the attack. Wilkinson was the star forward, and some of the shots that were attempted by him were "straight from the book."

S. M. Police—Tetsall, Shute, Murray, Henry, Gibson, Mann, Woodley, Bader, Wylie, Boddy, Wilkinson. Three Cultures—Y. S. Chang, Z. C. Kiang, T. M. Loh, K. S. Sha, S. D. Liang, C. P. Wang, Y. S. Chung, Y. K. Hsu, K. S. Suen, Z. K. Chen, C. Z. Liu. Referee—J. Morris.

Recs Trounce A.S.F.

At Hongkew Park the Shanghai Recreation Club hardly extended

S. R. A. MEDAL WON BY

R. BERGLOF

R. Berglof won the N. R. A. silver medal and A. Steffen of the U. S. Marines the S. R. A. silver medal on Sunday afternoon, the events being fired under identical conditions yesterday afternoon, one sighter and ten scoring shots at 500 and at 600 yards. The former event was for British .303 rifles only and the latter for other rifles.

Weather conditions were fairly good. The light was better than had been anticipated, but there was a strong fish-tail wind; despite this, good scores were registered.

R. Berglof of the Shanghai Light Battery and V. A. Aguilar of the Portuguese Company, S.V.C., tied at 92 points in the N.R.A. event, the latter shooting in open competition for the time and making a fine showing. The shoot-off saw Berglof score four consecutive bulls, Aguilar making three bulls and then an inner. In the S.R.A. event A. Steffen won with 996 points while C. R. Moss and B. B. James tied for second place, one point lower, the former winning the shoot-off. All three are U.S. Marines.

There were 48 entries for the N.R.A. shoot (Innskillings, 34, U.S. Marines 5, S.V.C. and S.M.P. 9) and 49 for the S.R.A. competition (41 U.S. Marines, 6 U.S.S. Asheville, 2 S.V.C.).

MURAKAWA WINS FERRIER CUP COMPETITION

The results of the Ferrier Cup Competition for 1935, played over the Kiangwan Course of the Shanghai Golf Club, as announced on Monday, Mar. 25, show Y. Murakawa as the winner, with a margin of five points between his score and that of W. B. Bryden, who came second. The results as announced follow:—

Y. Murakawa	(85-24) 61
W. B. Bryden	(82-16) 68
A. V. Semitt	(82-16) 68
J. F. Brister	(79-11) 63
G. Chambers	(80-12) 68
A. J. Hall	(80-11) 69
C. R. Clements	(84-15) 69
F. C. Warburton	(82-20) 69
T. S. Parry	(78-9) 70
N. J. Deegan	(94-24) 70

HOME RUGBY RESULTS

SPECIAL TO THE "N.-C. HERALD"

Bedford 3, London Scottish 12
Blackheath 27, Bristol 0
Coventry 14, Royal Air Force 0
Devonport 5, 21, Aldershot 5, 15
Hallifax 5, Waterloo 16
Harlequins 31, Gloucester 10
Leicester 11, Bath 2
London Irish 11, Woodford 11
Manchester 5, Headingley 6
Moseley 27, Liverpool 0
Northampton 39, Guy's Hospital 6
Richmond 9, Rosslyn Park 13
Waspes 9, Portsmouth Services 3
Old Alleynians 0, Old Merchant T. 21
Cardiff 20, Llanelli 3
Crosskeys 14, Penarth 0
Swansea 11, Neath 3
Torquay A. 29, Bart's Hospital 5
Edinburgh Wanderers 6, Kelso 10
West of Scotland 18, Gala 0.

—Reuter.

themselves utterly to rout the Association Sportive Francaise by 7-1. The margin could easily have been much greater, but the winners, especially in the second half, took things very easily. The French side included several reserves, which accounts for their poor showing, and several attempts at rearrangement did little to assist their attack. In contrast, the Recs had a strong line, but even they, at times, were poor at finishing, for although they practically monopolized the second half, during that period only one goal was added to their lead.

Recs—W. H. Cochran, J. Logan, Stangard, Leriou, Symons, Greaves, Ryan, H. Madar, H. Cochran, Hart-Eaker, T. Madar.

A.S.F.—Remond, Nicholeff, Goushenko; P. Bell, Bossuet, Peniguel, Monnot, Jack Ward, Jimmy Ward, Favacho, Ustoulinoff.

Police Specials' Match

The annual soccer match between the Chinese and foreign members of the S. M. Police Specials, which took place at the Stadium on Sunday morning, resulted in an overwhelming defeat for the Chinese, their opponents taking no less than thirteen goals without reply. The trouncing was even more severe than that inflicted last year, when the losers did manage to capture one point against the foreigners' eleven.

Throughout, the engagement was conducted in a very sporting manner. At the conclusion, Deputy Commissioner R. G. MacDonald presented silver spoons to the winning side, after which cheers were called.

Foreigners—Cruz, Pommer, Gutierrez, Davidoff, Silva, Rosa, Cruz II, Solovieff, Rosario II, Costa. Chinese—Y. Wong, Y. Y. Yoo, Joe Chu, J. Wong, S. D. Liang, T. Z. Yoo, P. C. Sung, R. Zao, P. T. Li, T. Z. Wong, S. Sung. Referee—R. G. Herbert.

EXTRA RACE MEETINGS

The S.R.C.'s 3rd, Extra meeting with its usual allotment of races for this year's sub griffins was run off on Saturday afternoon. Interest centred on the Sub Griffins' Trial Plate, their first classic of the season, and the Perth Plate which saw a field of eight 1st-class ponies.

In the Sub Trial Plate, What Thing confirmed previous successes by winning from Gay Moth and completing a "hat trick." Gay Moth ran a good second. Time was slow and the race did not reveal any outstanding performers amongst this year's sub griffins.

In the Perth Plate over 1½ miles the ever-popular Boston Drill took his usual position in the lead and maintained it throughout the race to pass the winning post many lengths ahead of his field. With no Opera Eye to challenge him he made easy work of the race, covering the Champion distance in time and style that provided his large number of followers with a good pointer to his chances for the great race itself. Maitland made the first mile rather too fast and seemed to be unaware that the field were so far behind him in the last quarter.

The Perth Stakes brought out a field of eight 1st class ponies with Don Augustus unaccountably made heavy favourite: for once the public erred in their judgment in overlooking the better form of Boston Drill and Frostyflight.

Racing at Kiangwan on Sunday was marred by some good finishes and some good times, while V. M. Halmoviten distinguished himself by winning four races: Merry Vic's win by a neck in the eleventh race was due to this rider's terrific efforts in the last few lengths.

Gold Vase, it seems almost needless to say, won his race, the Sutton Plate.

The card ended with a big upset, John Sparke bringing home Lovat Scout to pay \$709, Graceful Sun running second and Army Signal third. The 1½ mile race was won in 3:10-4/5.

FIELD BATTERY IN CAMP

With a turn-out of 35 men of all ranks, roughly 95 per cent. of the Battery's strength, the Shanghai Field Battery, S.V.C., spent last week-end in camp at the Rifle Range. The Battery, commanded by Capt. G. Danson, paraded shortly after noon on Saturday, and broke camp on Monday morning.

Three trophies were competed for during the two days. The gunnery tests and gunnery examinations for the Brian Bates trophy, a miniature silver howitzer, resulted in a tie between Sgt. Goldenburg and Bdr. Meaton. The signallers' competition for the Little Cup, was won by Bdr. Kew and Sig. Scott. A clear win in the revolver contest for the Davis Cup, presented by Maj. R. W. Davis some years ago, was scored by Sgt. Godkin.

To wind up the work of the camp in a cheery celebration, a dinner was held on Sunday evening. The principal guests of the evening included Col. F. R. W. Graham, commandant of the Corps, Maj. R. W. Davis, Maj. Brian Bates, Capt. J. S. Hay and other old members of the Battery.

LINCOLNSHIRE WON BY FLAMENCO

London, Mar. 27. The Lincolnshire Handicap resulted in an easy victory for Lord Rosebery's Flamenco, who finished three lengths ahead of two outsiders.

Flamenco (E. Smith)	1
Bow and Arrow (Nichol)	2
Heavyweight (Harry Wragg)	3

Won by three lengths, one and a half lengths separating second from third.—Reuter.

Grand National

London, Mar. 29. To the delight of the bookmakers, Major Noel Furlong's Reynoldstown won the Grand National Steeplechase at Aintree this afternoon, finishing three lengths ahead of a rank outsider in Lady Lindsay's Blue Prince. Thomond II, carrying the colours of the American sportsman, J. H. Whitney, was third, a further eight lengths behind.

Reynoldstown (Mr. Furlong)	1
Blue Prince (Parvin)	2
Thomond II (Speck)	3

Twenty-seven ran. Betting: 22-1 Reynoldstown; 40-1 Blue Prince; 9-2 Thomond II. Time, 9 mins, 21 secs.

Golden Miller started at 2-1, the hottest favourite in the history of the race.—Reuter.

The worst accident in the history of Australian turf since the Caulfield Cup in 1885 (when 16 horses fell and a jockey was killed)—occurred at Ascot course, Sydney, on Mar. 27 when ten out of 14 starters in a race piled up in a terrible smash at the two furlong mark.

LEAGUE SOCCER AT HOME

London, Mar. 30.

SCOTTISH CUP SEMI-FINALS
Rangers 1, Hearts 1 (at Hampden Park)
Hamilton Acads. 2, Aberdeen 1 (at Celtic Park)

ENGLISH LEAGUE 1ST DIVISION
Aston Villa 1, Arsenal 3
Chelsea 4, Blackburn R. 2
Derby County 0, Portsmouth 1
Everton 5, Stoke City 0
Grimsby Town 4, Birmingham 3
Huddersfield T. 3, Manchester C. 0
Leicester City 3, Liverpool 1
Preston N. End 2, Sheffield W. 1
Sunderland 3, Leeds United 0
Tottenham H. 0, West Brom A. 1
Wimbledon W. 5, Middlesbrough 3

2ND DIVISION
Barnsley 2, Blackpool 2
Bolton W. 1, Bradford 2
Bradford City 3, Newcastle U. 3
Burnley 0, Brentford 1
Millwall 3, Liverpool 1
Notts County 1, Norwich City 0
Oldham A. 2, Fulham 1
Port Vale 0, Bury 1
Sheffield U. 1, West Ham U. 2
Southampton 1, Nottingham F. 0
Swansea Town 3, Nottingham F. 0

3RD DIVISION (SOUTH)
Aldershot 1, Bristol City 0
Brighton & Hove A. 2, Coventry C. 0
Bristol Rovers 3, Reading 0
Cardiff City 3, Millwall 1
Charlton A. 0, Northampton T. 1
Crystal Palace 1, Bournemouth 0
Luton Town 3, Clapton Orient 0
Queens Park R. 3, Carlisle U. 0
Southend U. 0, Gillingham 0
Swindon Town 6, Exeter City 1
Torquay United 2, Newport C. 1

3RD DIVISION (NORTH)
Accrington S. 1, Halifax Town 1
Chester 3, Mansfield Town 2
Crewe Alex. 1, Lincoln City 0
Darlington 4, Rotherham U. 0
Doncaster R. 2, Carlisle U. 0
Gateshead 1, Wrexham 0
Hartlepool U. 0, Rochdale 0
New Brighton 3, Chesterfield 1
Southport 0, Barrow 2
Stockport C. 1, Tranmere R. 0
York City 4, Walsall 1

SCOTTISH LEAGUE 1ST DIVISION
Ayr United 3, Dundee 2
Dunfermline A. 2, Partick T. 1
Motherwell 3, St. Mirren 0
Queen of South 0, Kilmarnock 1
Airdrieonians 7, Hibernians 0
—Reuter.

Ireland Defeated by Wales

Wrexham, Mar. 27. The amateur international soccer match between Wales and Ireland, which was played here to-day in fine weather before a crowd of 2,000 spectators, resulted in a win for the former by three goals to one. The half-time score was 2-1.

Both teams suffered casualties. Hughes was hurt just before the interval and left the field, but resumed play when the whistle went for the second period.

Towards the end of the match Coulter, the Irish outside-left, collided with a Welshman and fractured his right leg.—Reuter.

JAPAN'S DAVIS CUP PLAYERS OUTCLASS LOCALS

The opportunity was taken on the occasion of the passing through Shanghai of the Japanese Davis Cup team, to give an exhibition of tennis at the Cathay Club tout en cas courts, several matches being played off on Monday, Mar. 25. Yamagishi defeated L. D. Carson, 6-1 6-0. Yamagishi and Nishimura defeated M. Benavitch and Gordon Lum 6-1, 6-0. Nishimura defeated Gordon Lum 6-1. Yamagishi defeated Nishimura 6-1.

LIGHT BLUE GOLF WIN

SPECIAL TO THE "N.-C. HERALD"

Burnham, Mar. 27. Cambridge to-day scored a surprise victory over Varsity golf competition in the inter-club competition which ended to-day with the Light Blues winning by seven matches to six, with two halved.

Lucas of Cambridge defeated Penink, the Oxford captain, by 9 and 7 in the leading singles, while Neilson, the Cambridge captain, won from Duncan of the Dark Blues, one up.—Reuter.

Mrs. Sarah Mayer, of Hampshire, wife of an English army officer and a member of the Jiujiutsu Club in London, has been awarded by Prince Nashimoto the certificate and black belt of a jiujiutsu champion, an unprecedented honour for a woman in the long history of the science.

The London Rowing Club, holders of the Head of the River championship, on Mar. 30 retained their laurels at Henley when they again won the event over the reversed inter-Varsity boat race course from Mortlake to Putney. The winners' time was 19 minutes, 41 seconds. One hundred and twenty-six crews participated in the race. The London Rowing Club have held the championship since the inception of the event in 1925.—Reuter.

SHANGHAI LAW REPORTS

H.M. SUPREME COURT

Indian Sentenced

Rottan Singh, an Indian watchman, who was found guilty by a jury of five on two separate charges, one of receiving stolen property knowing the same to be stolen, and the other of harbouring two Indians knowing they had taken part in an armed robbery, was sentenced to eighteen months hard labour on the first charge, and six months hard labour on the second charge, the sentences to run concurrently, by Judge P. Grant Jones in H. M. Supreme Court on Monday, Mar. 25.

The Crown Advocate, Mr. V. Priestwood, conducted the case for the prosecution, and Messrs. H. S. Oppenshaw, S. M. Perry, R. J. Vosper, G. Finlay, and T. L. Rawsthorne, served on the jury. The jury were out of court 25 minutes before coming to their decision. The prisoner was not defended by counsel and did not cross-examine any of the witnesses for the prosecution, and finally chose to make a statement from the dock rather than giving evidence from the witness-box on oath.

The prosecution alleged that the accused knew of a robbery committed at the Dah Tung Nan tobacco factory in Route de Zikawei on February 1 by two other Indians, Ujagar Singh and Tara Singh, and later received the stolen goods of the two men and sheltered them in his hut in Hochien Road.

Judge P. Grant Jones, passing sentence after the jury had given their verdict, said: "The jury have very properly found you guilty of both these charges and I may tell you, in my opinion, almost the worst evidence against you, was the evidence you gave yourself by telling infamous stories to the jury on my stand."

Tara Singh and Ujagar Singh were sentenced to fourteen years' hard labour in H. M. Supreme Court on March 18 by Judge A. G. Mossop after pleading guilty to the charge of robbery with violence by using an offensive weapon. It was these two men that Rattam Singh was charged with harbouring and receiving property that had stolen from the Dah Tung Nan tobacco factory.

H. M. POLICE COURT

Husband's Persistent Cruelty

Judgment in the case of Nadia Ozorio vs. Alvaro Ozorio was given by the Registrar, Mr. C. H. Haines, in H.M. Police Court on Saturday morning for the complainant, Mrs. Nadia Ozorio. An order was made that the complainant should have the custody of her daughter up to the age of sixteen; that the defendant should pay the sum of \$30 a week, provided its sterling equivalent did not exceed the sum of £2.10; and that the defendant should pay the sum of \$75 to the legal practitioners of the complainant, Mr. A. E. Seddon of Messrs. Platt, White-Cooper & Co., represented the complainant, and Mr. K. E. Newman of Messrs. Teesdale, Newman & Co., the defendant.

Commenting on the evidence given in the case the Registrar said he was satisfied that there was a serious act of cruelty on February 4 of this year and no dispute was made of a blow struck by the defendant, who himself admitted it to be "pretty hard." The Registrar said he did not think the provocation was sufficient to excuse the blow.

He also found that the blow struck by the defendant on January 1 was one that amounted to an act of cruelty and was not excusable by provocation on the part of the complainant.

Turning to two further incidents in July and September 1930, the Registrar said he thought that the punishment given by the defendant to his wife was inexcusable in both cases.

"I am further satisfied," the Registrar said, "that the defendant is a man of violent temper, and I have come to the conclusion that the complainant was in bodily fear of him." The times she left her husband, the Registrar added, were caused through fear of her husband and the evidence establishes that there was persistent cruelty on the part of the husband.

The Registrar said he was not going to make a non-cohabitation order in view of the husband's statement in the witness box that he did not wish his wife to return to him.

On the custody of the child, the Registrar said he was making the order in favour of the mother because, he thought, in the interest of the child it was better for her to be in the care of her mother. Of the \$30 a week to be paid by the defendant to his wife, \$24, provided it did not exceed the equivalent of £2, was to go towards the maintenance

of the complainant, and \$6, provided it did not exceed the equivalent of 10s., towards the maintenance of the child up to the age of 16.

Stowaway Charged

Stanley Charles Alexander Roberts of Perth, Australia, pleaded guilty in H.M. Police Court on Tuesday, Mar. 26, to the charge of stowing away in the ss. Clearton and was sentenced by the Registrar, Mr. C. H. Haines, to be kept in custody on board the ship during her stay in Shanghai and to be taken back to Australia.

Pleading guilty to the charge, the accused said that he had nothing to say why sentence should not be passed upon him. Capt. Harvey, master of the ss. Clearton, told the Registrar that Roberts had behaved himself very well whilst on board the ship and worked well all the time. Capt. Harvey added he was quite willing to take Roberts back with him to Australia.

The Registrar giving judgment said: "There has been quite a lot of stowing away from Australia in the past few years and we have to take a serious view of it, but, in view of what your captain has told me, I will take a lenient view and order that you be put in custody of Capt. Harvey and kept on board. You will not be allowed to leave the ship and you will be taken back to Australia."

"I hope," the Registrar added, "you will not tell your friends in Australia that you were dealt with leniently," and told the accused he only was lenient in this case because of Capt. Harvey's recommendation.

The accused, who stowed away on the ss. Clearton, while she was in Fremantle, Australia, replied he did not know the ship was coming here, and did not want to come to Shanghai.

Motorist Fined on Three Charges

Mr. A. B. Calder was fined £3.10 in H.M. Police Court on Tuesday, Mar. 26, by the Registrar, Mr. C. H. Haines, on three separate traffic offences.

The defendant was firstly charged with driving motor car number 2989 and failing to obey the signals of a police constable on point duty at the Soochow Road and Chapoo Road bridge corner on February 22, secondly with committing a similar offence on March 8 at Avenue Foch and Chengtu Road crossroads, and thirdly with failing to stop after being involved in an accident. Insp. J. Leslie, of the S.M.P. Traffic Department, conducted the case for the prosecution. Accused pleaded guilty to the first charge and was fined 10/- by the Registrar, who said that the action of the accused might have resulted in a serious accident.

To the second and third charges, failure to obey the signals of a policeman on duty and not stopping after being involved in an accident, the defendant pleaded guilty.

Insp. Leslie, outlining the case, said that the defendant was driving his car towards the Bund along Avenue Edward VII at 8.35 a.m. on March 8. At Chengtu Road eastbound traffic was held up to allow traffic to proceed from north to south. Several cars were drawn up, awaiting for the east bound traffic to be released again. The defendant, approaching the crossroads, passed this stationary line of cars on the off side and collided with a rickshaw, which was crossing at the time. The rickshaw was overturned and Mr. J. J. McGuire, the passenger, was thrown out fortunately without being injured. Slight damage was also done to the rickshaw but the defendant did not stop his car and made no report to the police of the accident.

Three witnesses were called by Insp. Leslie. C.P.C. 2945, who was on point duty at the time, stated he was wearing white armlets and white gloves and held the traffic east bound up for two or three minutes before the defendant tried to drive his car across the road. Mr. McGuire said that the defendant overtook six or seven cars. The rickshaw coolie said there were four or five rickshaws in front of him, at the time, crossing Avenue Edward VII and some were following behind his rickshaw.

Defendant first told the Registrar that the statement he passed a number of cars on the off side was absolutely untrue. He said he was approaching the cross-roads when the policeman suddenly put out his baton to hold up east bound traffic. He was unable to stop in time and there was a collision. He imagined that the damage done the rickshaw was slight because the shafts merely grazed his car and therefore he did not stop.

Defendant asked the Registrar whether it was reasonable to suppose that any man of sense would "fly against a barrier of vehicles protected at right angles to him, and which had been in motion for several minutes."

Defendant said it would be courting trouble.

The Registrar commenced his summing up by saying he was satisfied that the case was proved, when the defendant interrupted and asked if he could say something more.

The Registrar granted permission and defendant said: "It is obvious that the police are out for a conviction, I further suggest that there is an undercurrent of vindictiveness, and it is also possible that this evidence has been talked over and agreed upon and so I am up against a stone wall." Defendant went on to say he admitted he should have reported the accident which he thought was very slight, but had proved to be more serious than he first supposed. He still maintained that the east-bound traffic was held up so suddenly that he was not given time to stop, even if he had been able to do so. Defendant told the Registrar that he found later his brakes were faulty.

The Registrar replied that he could only go on the evidence as he said before and still found the accused guilty. He considered not stopping after the accident was the more serious charge and fined the defendant £1 on the first charge for not obeying the signals of the C.P.C., and £2 for failure to stop after hitting the rickshaw.

Mr. Calder then said he would like six months to pay the fine. The Registrar said he would give him two weeks.

Defendant said he could not do that and wanted at least two months, but refused, when asked, to give his reasons for requiring such a length of time. When the Registrar questioned him as to his salary, defendant would not answer, and asked what would happen if he did not pay the fine in two weeks.

The Registrar replied that that was a matter they could settle later.

Charge Against Accountant

The case for the prosecution against Mr. A. H. Leslie, who is charged on three separate counts with falsifying the accounts of the International Recreation Club, was concluded in H.M. Police Court last Wednesday afternoon.

Mr. Ronald McDonald, defending counsel, asked for an adjournment to consider the evidence before giving his address on the merits of the case as presented by the prosecution, which has been conducted by Mr. John McNeill.

The Registrar complied with Mr. McDonald's request and said he too would be glad of the opportunity of going carefully through all the evidence as he was to decide whether the accused was to be charged and committed for trial or not, and he adjourned the case until 10 a.m. on Monday, April 1, when, he said, defending counsel would have the opportunity of addressing him and call any witnesses he desired.

Mr. McNeill concluded the case for the prosecution that day with the evidence of Mr. N. T. Lee, who said he was in the employ of the I.R.C. and had been since August 1, 1934. His duties were to help the accused with the bridge accounts, to help another Chinese clerk with the members' monthly accounts and to do racing work.

It was on August 15 or 16 last year Mr. Lee said that the accused authorised him to receive the daily collection of money received from members. Daily collections came from various sources, by post, personal payment by members to the club, and through shroffs.

All letter matter, witness said, was handled by the accused, who gave him the cheques received and he entered them in daily collection books, then looked the cheques in his drawer. Members paying their bills personally did so either to him, the accused, or the other Chinese clerk, and he again kept an account of all money thus received. The same applied to money taken each day by the four shroffs employed by the club.

In the collection books the witness identified entries, against which were the initials of the accused in pencil. These entries, he said, were sums of money—the accused told him—which were paid in by members after office hours.

Every day at about 6 p.m., witness said, all the money he had received was handed to the accused, and the accused after checking the amount, put the money into his own safe. Mr. Lee also identified that the alleged entries in the journal and ledger of I.R.C. were in the handwriting of the accused, and also the signature at the foot of the balance sheet.

Finally witness said that on a daily average the forms of payment by members in respect of their accounts to the club were 30 per cent. in cash, and 70 per cent. by cheques, native orders, and compradore orders. At the morning hearing, defending counsel resumed his cross-examination of Mr. C. V. F. Spink of Messrs. Thomson & Co., which started at the last hearing, by asking the witness particulars of the safe kept in the accused's room during the time he was working at the I.R.C. Mr. Spink said he made no

special examination of the safe but thought it an ordinary one. He said he had not used the safe for any purpose. Re-examined by Mr. McNeill, Mr. Spink said that during the time he acted as secretary of the club, he made use of the safe in the secretary's office.

In reply to questions regarding the bridge accounts of the I.R.C. Mr. Spink said he knew that when the bridge accounts started in July, 1933 the turnover was some \$500, which sum had increased to \$6,500 by December, 1934. The total turnover from July, 1933, to December, 1934 amounted approximately to \$57,000. Witness said that a special banking account was kept with the Agricultural Industrial Bank of China for the bridge accounts.

Answering questions put by Mr. McNeill in re-examination on the bridge accounts, witness said that the club was entitled to a ten per cent. commission on the turnover.

Mr. McNeill in December when the turnover was some \$6,500, who was the state of the bridge accounts?—The bridge accounts at the end of 1934 showed several amounts due to the account but not paid. All winnings had been paid.

Mr. McNeill: What was the outstanding amount due from losers?—I am unable to say but I can ascertain that.

Mr. Spink said he had not received its commission of some \$6,000 due at the end of December.

Asked by defending counsel whether he could describe the system of collection of money due from members by shroffs, Mr. Spink replied that he did not know what system was used, and added, that since Thomson & Co. took over no shroffs were used, as all were suspended.

Mr. McDonald: Do you or do you not know that \$20,000 was missing in 1933?—I do.

Mr. Spink said he believed a report of the missing sum was made to the committee of the club by Mr. Blaker, and instructions of procedure with regard to that sum were given to Mr. Blaker.

Under the ordinary rules of the club Mr. G. Y. Woo still was the honorary treasurer of the club, Mr. Spink said. No salary was attached to the position, the duties of which, so far as he knew, were signing cheques drawn on the club's banking account.

Witness said that he knew the accused did almost all the work in keeping the books of the club, and had practically no assistance. Asked whether he thought it "fair" to call the accused an accountant, Mr. Spink said it was a difficult question to answer, but he preferred to answer replied that he thought the accused a "fair accountant."

Defending counsel next asked the witness whether or not he had approved of the pencil draft of the balance sheet, which was drawn up by the accused. That duty, witness replied, rested with Mr. Blaker; he could not say that he approved of it himself. He checked the balance sheet with the ledger and found it correct according to the ledger. He disputed it because there was no justification or supporting evidence of the balance as shown by the members' monthly accounts. The accused, he added later, gave him every assistance.

Referring to the sum of \$45,375.49 as shown in the balance sheet and in the books as owing in respect of members' monthly accounts, defending counsel asked whether the entry meant that that sum was to be accounted for. Witness said "yes," and added that was the reason why when he saw the nature of the entry, he wanted full particulars. It did not necessarily mean, witness continued, that the amount was banked—it meant that the amount was outstanding and due to the club in respect of unpaid members' accounts.

Quoting the first charge against the accused, which states that the amount in the balance sheet was \$45,375.49, whereas in truth the amount should be \$22,693.12, defending counsel asked whether that sum, \$22,693.12, was due. Mr. Spink replied that was the sum due up to December 31, 1934. He knew because he had made a thorough audit of the members' accounts and found that it agreed with that figure except for a small difference of about \$160.

Mr. McDonald: Now Mr. Spink, from a comparison of the collection books and the paying-in books, it was easy at any moment to ascertain how much had been collected and not paid in?—That is so.

On the question of an amount of approximately \$5,000,—I.O.U.s, advanced to certain persons by the accused,—Mr. Spink said no action was taken as yet regarding that sum. No tentative balance sheet had yet been drawn up and he had not attempted to make a balance sheet because the audit was suspended and, as far as he knew, no instructions had since been received by his firm.

Re-examined by Mr. McNeill, Mr. Spink said that it was the duty of the committee to approve the balance sheet, and the duty of Mr. Blaker to approve the audit of the balance sheet.

Mr. McDonald: Was the members' individual account credited with the sum of \$45,375.49?—No. Reminding the witness of the second and third charges against the accused,—alleged fraudulent entries in the journal of the I.R.C. to the amounts of \$4,110.26 and \$1,215,—defending counsel asked what the witness saw wrong in the entries. Mr. Spink replied "I could see no point in the entries." The two amounts referred to in the charges, he said, were actually banked on or before January 15, but not before the books were closed, which was on December 31, 1934.

Mr. McDonald: The accused had not finished with the books until January 15?—That I am not able to say.

Mr. McDonald: When did the accused hand the books over to you and cease to be responsible for keeping them?—Some time in February.

U.S. COURT FOR CHINA

Claim for Wages Judgment

A decision in the case of G. P. Steinberg v. the China Finance Corporation was given by Judge Milton Helmick in the U. S. Court for China, on Monday, Mar. 25. The case, which was heard several weeks ago, dealt with the plaintiff's claim for compensation alleged to be due for services rendered in connection with the Knit-to-fit Mill, taken over by the defendants on a mortgage foreclosure.

Mr. N. F. Allman represented the plaintiff and Mr. C. S. Franklin the defendants.

In his memorandum, the Judge, after reviewing the evidence, stated the basis for his decision as follows:—

"The evidence leads the Court to believe that plaintiff's motive in remaining as caretaker was not his belief that he would be compensated for the amount he sues for, but because he was primarily interested in financing the reopening of the mill. When the mill was in operation before defendants took it over, plaintiff and his wife received for a short time a maximum salary of \$460, plus quarters, and they offered to continue with defendants at the same figure. Hence, it does not seem reasonable that, after the mill was closed, they should expect to receive \$550, plus quarters. Apart from his wife's salary, plaintiff has received from defendants \$1,420 in money and goods."

The plaintiff is entitled to recover reasonable compensation and, if his wife's salary is not to be taken into consideration, as plaintiff insists it should not be, it becomes difficult to appraise the value of his sole services, because of the continuous joint aspect of their employment. The Court does not believe the value susceptible of segregation or accurate mathematical calculation. From all the circumstances, the Court believes plaintiff is fairly entitled to approximately \$980 and consequently judgment will be rendered for that amount, with costs."

Plaintiff Given Compensation

The largest claim yet to be heard before Judge Milton J. Helmick in the U. S. Court for China was brought some weeks ago by Han Pai-chi against Mr. F. R. Welch for compensation for damages done his bicycle and clothing, as well as for hospital bills and personal injuries received when he alleged, he was struck by a car driven by the defendant. Mr. Han Pai-chi sought to receive U. S. \$5,000. He was represented by Mr. J. B. Davies. The defendant was represented by Mr. George F. Richardson. On Monday, Mar. 25, Judge Helmick filed a memorandum in the case awarding the plaintiff, not \$5,000 U. S. currency, but \$1,073.80 Shanghai currency, and costs, in the following brief decision.

"Plaintiff brings this action for damages for injuries, hospital bills, etc., arising from defendant's negligence in striking plaintiff with a motor car while plaintiff was riding a bicycle on Bubbling Well Road. Although the testimony is sharply conflicting the preponderance of the evidence, in the opinion of the Court, establishes negligence on the part of the defendant. Without reviewing the evidence it is perhaps sufficient to note that the damage to defendant's car indicates a terrific impact which must have resulted from excessive speed. Judgment will be awarded to plaintiff for Shanghai \$1,073.80 and costs."

Traffic Cases

Two cases of traffic violation came before Mr. William T. Collins, Acting Commissioner, in the U.S. Consular Court on Friday morning. Mr. W. J. Cannon pleaded guilty on a ranking violation charge, and Mr. Ward Manley Woods pleaded guilty on a charge of having stopped to take up passengers in the centre of the roadway. Fines of U. S. \$1, without costs, were imposed in both instances.

FOREIGN TELEGRAMS

CONVERSATIONS BEGUN IN MOSCOW

Soviet Would Welcome British Aid in Improving Relations with Japanese

Moscow, Mar. 28.

Friendly relations between Great Britain and Soviet Russia are essential for the preservation of peace, declared M. Maxim Litvinoff, Soviet Foreign Commissar, in a speech on the Russian foreign policy at a reception given to-night in honour of Mr. Anthony Eden, Lord Privy Seal in the British Government.

The reception, which was one of the most brilliant functions witnessed in Moscow for many years, was featured by M. Litvinoff proposing a toast to King George V at the conclusion of his speech. This is the first time since the advent of the Soviet regime that a Royal toast has been proposed by a Russian Minister.

Referring to the forthcoming tripartite meeting at Stresa, Mr. Eden declared:

"It will be their task, as it is ours to-day, to seek and find a way out of the difficulties of Europe, which will be just and honourable to all nations, yet consistent with those principles of collective security in which we all believe."—Reuter

Mr. Eden Talks with Stalin

Moscow, Mar. 29.

Overlooked by the portrait of Karl Marx, M. Joseph Stalin, the virtual dictator of Russia, and Mr. Anthony Eden, Lord Privy Seal in the British Government, had a heart-to-heart talk to-day in the office of the Soviet leader. The meeting, which lasted an hour, took place in a plainly furnished room in the Kremlin.

M. Stalin listened with keen interest while Mr. Eden reviewed all points he had already discussed with M. Litvinoff. It is understood that these comprised most of the principal aspects of relations between Britain and Russia, as well as peace in the Far East and the integrity of China.

An enthusiastic pro-British demonstration was given by the 2,000 spectators who attended a gala performance of Tchaikowsky's "Swan Lake" ballet at the Moscow Theatre to-night.

Moscow-Tokyo Relations

Mar. 31

It is felt here that Mr. Eden's visit has been a definite success and it is asserted that questions mentioned in the Anglo-French communique of February 2, which received an answer of "no" or "perhaps" in Berlin, were given a cordial "yes" during the British Minister's conversations with M. Litvinoff.—Reuter.

British mediation between Russia and Japan in an effort to iron out all differences between these nations was seen to-day as a possible result of the Moscow talks of Mr. Anthony Eden, the Lord Privy Seal.

M. Maxim Litvinoff, the Soviet Commissar of Foreign Affairs, already has indicated that his Government is willing to get together with Japan in a plan for establishing a demilitarized zone along the border of Manchoukuo.

Also under unofficial discussion is a proposal for the signing of a non-aggression pact between Russia and

OUTBURSTS OVER MEMEL

Kaunas, Mar. 30.

Germany's first official answer to the severe sentences meted out to a group of Nazis convicted by the Lithuanian authorities for plotting to overthrow the State and hand Memel back to Germany, was made to-day when the Reich officials in Kaunas refused to issue transit visas to Lithuanians. As the Lithuanian Government has no diplomatic relations with Poland, Lithuanians desiring to reach western Europe must now travel by sea. Intense bitter feeling against Lithuania prevails throughout Germany due to the action taken by the court at Memel. Of the 126 Nazis brought to trial, only 34 were released. Four were sentenced to death, two were given penal servitude for life, nine were sentenced to nine years in prison, two others to eight years, and the remainder to terms of imprisonment ranging from one to eight years.—Reuter.

EASTBOURNE BYE-ELECTION

London, Mar. 29.

The bye-election in the Eastbourne division of Sussex, caused by the death of the Conservative member, Mr. John Slater, resulted to-day in the unopposed return of Mr. Charles Stuart Taylor, another Conservative. Aged only 24, Mr. Taylor now holds the distinction of being the youngest member of Parliament. Mr. Slater was also returned unopposed in April, 1932.—Reuter.

EXPANSION OF THE GERMAN ARMY BEGUN

Berlin, Apr. 1.

The expansion of the German army, recently announced in open defiance of the Treaty of Versailles, is to begin to-day. It is now thought that the armed forces of the country will number 750,000 officers and men.

A new defence law will announce the creation of a national defence council, of which General Ludendorff and von Seeckt, of war-time fame, will be the most influential members.

To-day, the class of 1915, numbering 580,000 men, will be called up and, of this number, 300,000 will be kept with the colours.

The classes of 1901 to 1909 are to be trained in short-service periods not exceeding eight weeks, in the course of the next few years.

The 1901 class will be called up on Oct. 1, and another batch on Apr. 1, 1936.

In order to enable Germany to carry on meanwhile, a special law has been promulgated authorizing, inter alia, the Minister of Finance to assume certain guarantees. For example, for the promotion of Germany's export trade, up to 200,000,000 marks will be made available. Up to 100,000,000 marks will be allowed for work-creating purposes and up to 88,000,000, marks for agriculture.—Reuter.

"Prepared" by Next March

Geneva, Apr. 1.

Germany will be prepared for a major war by March of next year! This was the startling information given to-day by high military attaches of nations subscribing to the League of Nations.

Estimates by the majority of the military men were to the effect that Germany has some 3,300 aeroplanes and pilots, compared with 2,200 in Great Britain and 5,000 in France.

French officials said that while it is true that Germany lacks heavy bombing planes, she is rushing to completion a vast number of this type of craft. "And," one official commented, "Germany is building military planes with fighting qualities superior to those of other nations."

The German War Ministry, it was stated, started long before last October on designing the modern death-dealing equipment of war. Models were reported destroyed, but blue-prints and plans were carefully stored away for future reference.

When the Reichsführer, Herr Adolf Hitler, gave the order in October for the construction of military equipment, foreign informants said, the nation launched on a gigantic building programme which, by March next year, should produce enough to supply a giant regular army and a considerable number of reserves.—United Press.

H. L. BROOK SETS UP NEW MARK

London, Mar. 30.

Shattering the old mark by over thirteen hours, Mr. H. L. Brook, one of the competitors in the great London-Melbourne air race last year, landed at Lympne, in Kent to-day, with a new record for a flight from Australia to England to his credit.

Flying a new type Miles-Hawke machine, he made the dash from Port Darwin to Lympne in seven days, 19 hours and 50 minutes.

In achieving this feat, he clipped 13 hr. 10 min. from the unofficial record set by C. J. Melrose, the young Australian flier, last September.

The record-breaker left Darwin at 10.05 a.m. G.M.T., on March 23, and landed at Lympne at 3.55 p.m. G.M.T., to-day. He took part in the handicap race to Australia last year, taking 26 days and 20 hours to reach Darwin.—Reuter.

SLAWEK FORMS CABINET FOR POLAND

Warsaw, Mar. 28.

Col. Walerj Slawek to-day formed a new Cabinet, succeeding as Premier, M. Leon Kozlowski, who resigned this morning, and giving effect to the abolition of parliamentary government by the recently adopted Constitution. Under the new Cabinet, the government of Poland will be a dictatorship more nearly akin to those which prevail in Italy and Germany.—United Press.

GERMAN WOMEN EXECUTED

Berlin, Mar. 29.

Inordinate passion for the gay life of dance halls and cafes to-day brought a death sentence upon the slim young shoulders of Frau Charlotte Juaneman, aged 25, for allowing her three small children to starve to death while she spent her time in carousing in low class cafes. She is the third woman within a few weeks to be sentenced to the executioner's block in Nazi Germany.—Reuter.

BELGIUM TO DEVALUATE THE BELGA

Brussels, Mar. 29.

Belgium has decided to devalue the belga.

According to an announcement issued to-day by the new Government under M. Paul van Zeeland, former Vice-Governor of the National Bank of Belgium, the country will remain on the gold standard but the belga will be devaluated to a degree not below thirty per cent.

The gold reserve of the National Bank of Belgium, it is added, will be revalued provisionally at a level depreciating the belga by 25 per cent. as compared with the present value.

The declaration adds: "We propose to use all the means in our power to hasten the establishment of an international court, by which the principal moneys of the world would again be stabilized on gold."—Reuter.

Vote of Confidence

Brussels, Mar. 30.

A vote of confidence in the new Government headed by M. van Zeeland, was passed by an overwhelming majority by the Senate to-day. The voting was 110 to 20, nineteen members abstaining.—Reuter.

Rate of Devaluation Fixed

Brussels, Mar. 31.

The rate of devaluation of the belga was fixed to-day by the Belgian Government. It is 28 per cent.—Reuter.

HOLLAND TO DEFEND FLORIN

The Hague, Mar. 29.

It is emphasized in authoritative quarters here that the Netherlands Government does not intend to change its policy as a result of the fall of the belga. There will, however, be further drastic cuts in the Budget in order to defend the florin.—Reuter.

NOTED FRENCH PILOT KILLED

London, Apr. 1.

Death rode the airways early this morning and claimed the life of one of France's most noted aviators when the inaugural attempt of Air France to link up six countries by a network of high speed lines ended in a disastrous crash about 80 miles north of Paris. The victim of the crash was M. Robert Balac, star pilot of the French aviation company. The two other occupants of the machines, M. Priticot, the company's director of services, and M. Fleuret, the concern's chief wireless operator, escaped serious injury.—Reuter.

U.S. TO BUILD UP NAVY

Washington, Mar. 27.

The House to-day gave its approval to the Administration's plan to build up the American Navy.

Bills adopted call for:

1.—Expenditure of \$38,000,000 for improvement of shore stations in Pacific waters.

2.—Increase of 1,032 in the line officer strength.

3.—Building up of air service strength through a cadet system which allows 500 young men to be trained for this arm of the service annually.

Money to be spent to improve shore stations includes some \$4,500,000 for a drydock at Puget Sound, \$3,500,000 for a drydock at Mare Island and \$10,000,000 for a floating drydock at Pearl Harbour, Hawaii.

In addition, there is an allocation of \$2,334,500 for the submarine base at Coco Solo, Canal Zone, the money to be used for improving present facilities.—United Press.

BRITISH BUDGET SURPLUS

London, Mar. 31.

The healthy state of Great Britain's finances for the financial year ended last night is shown in the returns issued by the Treasury which reveal a surplus of revenue over expenditure amounting of £7,562,000.

Revenue, which totalled £716,441,000, exceeded the Budget estimate by nearly £10,000,000, while expenditure, at £708,879,000, was £3,155,000 above the estimated figure.

The returns show that income tax for the year ended last night totalled £229,000,000 and exceeded the estimate by over £9,000,000, while surtax and estate duties were also in advance of the estimates.

Customs excise, which amounted to £290,000,000, almost exactly corresponded with the estimate.

Expenditure includes £12,343,000 paid by means of a sinking fund for debt redemption. Thus the revenue exceeded expenditure, apart from debt redemption, by nearly £20,000,000.

The floating debt now stands at £833,330,000, as compared with £844,710,000 last year.—Reuter.

Foreign News in Brief

Senor Rafael Aizpun, Minister of Justice, announced on Mar. 29 that the Spanish Cabinet has resigned.

The appeal against sentence of death for the abduction and murder of the Lindbergh baby, which was lodged last month by Bruno Richard Hauptmann will be heard on June 20.

Mr. L. A. Lyall, former Commissioner of the Chinese Maritime Customs, has been elected President of the Permanent Centre Opium Board.—Reuter.

The first week of the 30-mile-an-hour speed limit in built-up areas has resulted in a slight decrease in casualties, namely, 100 killed and 2,851 injured, the latter figure being the lowest on record in London.

Colonel Saraphis, the leader of the rebels in Athens who participated in the recent abortive Greek insurrection, has been sentenced to imprisonment for life by a military court which is now engaged in trying a large number of persons involved in the rebellion.

The Duke of Manchester reappeared at the Westminster police court on Mar. 30 on a charge of having obtained two sums totalling £3,200 with intent to defraud, and, after a brief hearing, was committed for trial at the Old Bailey. He was allowed bail.

It has been officially announced that Mr. John Buchan, M.P., the distinguished Scots historian, novelist, and political writer, has been appointed Governor-General of Canada, succeeding the Earl of Bessborough in that important position.

Mr. Montagu C. Norman, Governor of the Bank of England, has been re-elected to this post for the 14th time by the board of directors. Sir Ernest M. Harvey was re-elected Deputy Governor.

A warm welcome was accorded the Duke of Gloucester, the third son of the King, when he arrived at Portsmouth on Mar. 28 after a seven-month tour of Australia. The Prince of Wales and the Duke of York met their brother when he disembarked.—Reuter.

It is officially announced at the Vatican City that the Rt. Rev. Mr. Arthur Hinsley, n.b., Canon of the Patriarchal Basilica of St. Peter's in Rome, will be appointed Archbishop of Westminster in succession to the late Cardinal Bourne at the next Consistory to be held on April 1.

Admiral Sir Dudley Pound has been appointed Commander-in-Chief of the Mediterranean Fleet in succession to Admiral Sir William Fisher, while Vice-Admiral Sir Martin Dunbar-Nasmith has been selected as Lord Commissioner of the Admiralty and Chief of the Naval Personnel to fill the vacancy created by Sir Dudley's promotion.

A sensation was created in the Dail on Mar. 28 when Mr. Eamon de Valera, President of the Executive Council of the Irish Free State, announced that he had refused an official invitation to attend the Silver Jubilee of Their Majesties, Mr. J. W. Dulanty, the High Commissioner in London, will attend the Silver Jubilee on behalf of the Irish Free State.—Reuter.

OBITUARY

Queen Mother of Iraq

Baghdad, Mar. 28.

The Queen Mother Huseima of Iraq succumbed to a heart attack here yesterday at the age of 51. Deceased was the widow of the late King Faisal, who likewise died of heart disease at Berne, Switzerland, last September.—Trans-Ocean News Min.

Mr. Tielman J. de v. Roos

Capetown, Mar. 27.

The death occurred here to-day, at the age of 65, of Mr. Tielman Johannes de Villiers, former Judge of the Appellate Court and ex-Nationalist Minister of Justice of the Union of South Africa.—Reuter.

Sir Arthur Steel-Maitland

London, Mar. 30.

The death occurred here to-day, at the age of 59, of Sir Arthur Steel-Maitland, Conservative member of Parliament for the Tamworth division of Warwickshire and former Minister of Labour. Sir Arthur died suddenly while golfing.

He occupied the post of Minister of Labour from November, 1924 to June, 1929.—Reuter.

FROM THE FOUR WINDS

U.S. STRONG FOR ISOLATION

Failure of the Movement to Secure Adherence to the World Court

FROM OUR OWN CORRESPONDENT

Washington, Mar. 2.

The American reaction to a troubled world, which successive "settlements" only appear to leave more unsettled, is to pull in its horns and fall back upon the traditional isolationist doctrines. A short time ago the Senate could not find two-thirds of its membership ready to accede to a form of adherence to the World Court expressly designed to meet American susceptibilities according to specifications of Senate isolationists themselves. That would have "involved" the country in European problems at a time when even Senator Robinson, the sober and staid Democratic leader, saw the war-clouds gathering. "I cannot see the logic in our democratic leaders warning us that war-clouds are about to burst forth in Europe at any hour and at the same time telling us to hurry and get there before the war starts," protested Senator Long.

At the same time the "retirement from the Orient", which began with the passage of the Philippines Independence Bill has now proceeded to general disinterest in Soviet relations, the resumption of which were hailed with such fervor, and complete indifference to the effect of the silver purchase policy on the future of China. Shortly after the World Court defeat General Smuts made a speech in favour of Anglo-American co-operation especially in the Far East. "Why is Great Britain so solicitous to curtail and hold down the naval power of Japan? What the British are interested in is their own economic stability. It would appear that the British would willingly sacrifice American wealth and American sons to maintain their economic status in the Orient," said Representative John Hoenpelt of California, commenting on the speech.

Strongly Isolationist

The great mass of American opinion is strongly isolationist, and there are no adequate grounds for supposing that there will be any change in the immediate future. America will assume greater world responsibilities only when a majority of her population have been converted to the need for collective world action or when the international scene is so calm and peaceful that it arouses little interest. Then the numerous small organized groups who are in favour of greater cooperation in world affairs will be able to make their influence felt. A small organized minority which knows what it wants will always be able to carry its programme in the face of an unaroused public opinion.

A typical expression of American pessimism was given by a former attaché of the American Embassy in London, Mr. Herbert Asar in a speech to the Foreign Policy Association of New York. "I watched the World Economic Conference in London," he said, "Results? An increase in international bitterness, especially at the expense of the United States, and an increase in the cynical stories that go the rounds. Conferences are becoming the last resort of every bankrupt politician who does not know what to do at home. We would do the world a benefit if we would set the example of staying out of conferences for ten years." This is the isolationist argument at its highest. At its lowest the arguments against further co-operation with Europe might be expressed as follows:

George Washington's Advice

"During the World War we forsook the ways of the Fathers of this country, Washington, Madison, and Monroe, and we suffered for it. We won the war for Europe and got nothing out of it but \$11 billion of debt and an equal amount of ill-feeling. Moreover we sowed the seeds of economic troubles which brought about the depression from which we are still suffering. Europe, laughing behind its hand at our uncouth ways, is incessantly trying to make us forsake the ways of Washington and once again entangle us in her growing troubles."

George Washington's advice forms the basis of (or at least the excuse for) the isolationist theory of foreign policy to-day. It is contained in his Farewell Address, read religiously each year in both chambers of Congress on the anniversary of his birth. When it was read this year, Senator Gore was moved to comment, "It was once well said 'If ye love me keep my command-

ments.' Let us keep the commandments of George Washington." He was referring particularly to such passages as these (the italics are George Washington's).

"Against the insidious wiles of foreign influence the jealousy of a free people ought to be constantly awake."

"The great rule of conduct for us in regard to Foreign Nations, is, in extending our commercial relations, to have with them as little political connection as possible. Europe has a set of primary interests which we have none, or a very remote relation."

"It is our policy to steer clear of permanent alliance with any portion of the foreign world."

The Perpetual Nightmare

Over the "insidious wiles" of foreigners many Americans to-day are in a perpetual nightmare. The recent World Court debate resolved itself into a frenzied competitor among opposition senators in wildly inaccurate and fantastically distorted statements. As far as they were concerned America was still fighting her War of Independence and George Washington was still leading her. The enemy, which once was England alone, had grown with the years till the fight was now against the whole world. The engagements were no longer carried on in an open straightforward manner, on the field of battle, but insidiously and by subterranean means. The defeat of the World Court was a spectacular victory, but for a time it had been touch and go. Had the enemy not delayed the final assault long enough for the defenders' ranks to be organized America might have become a member of the World Court, her identity submerged, her sovereignty curtailed and her freedom lost. This narrow escape served to demonstrate once more that eternal vigilance was the price of freedom. America must not be caught napping again. The cackling of the geese on the Capitol could not always be relied upon to save the city.

"Do you know that there are 37,000 foreign agents here to deprive us of our liberty," shouted Senator Schall. "They are paid by Foreign money. They are all for our going into the World Court." Great Britain was the ring-leader in the assault upon American freedom. Senator Schall maintained. "Knowing they could not defeat us at arms they decided on intrigue because they were determined to wrest from the United States its financial supremacy which the war had given it. The League is controlled by England and should we enter this foreign body England would be placed in the same position towards the United States as she was when the United States was one of her colonies. In other words, without a war (which England could not possibly win) England would be getting back her American colonies."

Uninspired Support

While adherence to the World Court was attacked in this way it was supported in a routine and uninspired manner. Many Senators who cast their votes in favour of the World Court did so half-heartedly out of a sense of loyalty to the President and probably in response to the pressure from various "peace" societies to whom they had pledged their support. They would welcome some new test which would enable them to demonstrate the true soundness of their views. They were fully conscious of the latent opposition which existed to any form of "collective" action, or action which could be presented as "collective"; what they did not realize was that it could be mobilized with such speed. The importance of the World Court debate was that it created a new technique for influencing Congressional votes. The opposition appealed by radio to the country at large and urged everyone to write to their Senators. The telegrams came literally by the barrow load. Messengers were unable to bring them by hand. Against such a flood the pressure of small organized international groups was helpless, and always will be under similar circumstances.

There is evidently a greater interest in foreign affairs, or rather a greater awareness of foreign affairs, than formerly. The Executive branch of the government can no longer exercise its functions in the foreign

field without arousing public opinion. Its freedom of action is more restricted, therefore, and the fact that one third of the Senate has a power of veto over foreign policy is made at the Capitol not at the White House. The influence of the White House on the Senate is of course, enormous, but the recent World Court debate showed that White House influence is of no avail when opposed by the influence of an aroused public opinion, a lesson taught earlier by the defeat of the League and the Versailles treaty.

"Kingfish" Long Speaks Out

One further example of the distorted rhetoric which defeated the World Court might be quoted from the speech of Senator Huey Long. The Senator attacked the decision of the League to discriminate between Paraguay and Bolivia and retain an embargo on the former while raising the embargo on the latter. He did this on the grounds that the Chaco district over which the two countries were fighting was awarded to Paraguay in 1878 by the President of the United States, Rutherford B. Hayes. This arbitrary award had been accepted by everybody, the Senator maintained, till the Standard Oil Company bought out Bolivia, corrupted the League, and tore up the American President's signature. "Here is an agreement that has been recognized by the official maps of Bolivia, by the delegates of Bolivia and by all the countries of South and Central America since 1878. Here are boundaries and properties protected under the Monroe doctrine of the United States of America." But oil was found and a way to ship it from Bolivia by water was necessary, so the Monroe doctrine was scrapped, and in and behold the shadow of Rockefeller appears on the scene from the League of Nations. Out comes the demand—it ought to have been signed by the Rockefellers instead of the League—to the Paraguayan government "Touch not that given you by law." And the States stands here retiring, ignominious, disgraced in its light and by its own performance with its father, thrown to the demnition bowdies of eternity in order that aggressions of this kind may be pursued under the protocols of the League of Nations.

America's Determination

While the prevailing sentiment in America is against collective action, the particular brand of isolation which is believed in is not the same as that, say, of China in the last century. It is not a negative policy of wishing to have nothing at all to do with the world. Within one week Senator Borah stood via against the World Court and in favour of an enquiry into religious persecution in Mexico without feeling that he was being in any way inconsistent. No foreign co-operation was required for an investigation into Mexican affairs, while it was the essential principle of membership of the League Court. One of President Roosevelt's most popular actions was his message on July 3, 1933, to the Economic Conference in London. It was felt to have upheld American economic independence even if it wrecked the conference. Possibly the only action of President Hoover's which was really popular was his proposal for a War-debt Moratorium on June 18th 1931. In spirit, it was the very opposite of President Roosevelt's action two years later, but it did not involve any sacrifice of American freedom of action. It was an expression of aggressive American leadership and as such it was popular. When European powers began to argue about it instead of accepting it, then it lost its popularity.

If American foreign policy at the present time is described as one of drawing in her horns, the proverb would have to be added that at the same time she is sharpening them. The Navy is being brought up to treaty strength and the army has been increased. America is determined to be the strong man armed, though his house that his goods may be in peace.

The death sentences imposed by a Spanish court martial on 21 Socialist revolutionaries, including the deputies Pena and Mendez, for their participation in the Asturias revolt, have been commuted into terms of 30 years of imprisonment, according to an announcement in the official "Gazeta".

The French ex-servicemen, who will visit Rome for Easter, will present King Victor Emmanuel with a "golden book" and Premier Mussolini will present Mussolini with a statue containing earth from the La Chalade cemetery, where the Garibaldians are buried, and from the Brigny cemetery. On April 13 the French visitors will place wreaths on the French tomb of the unknown soldier and one of these will be brought to Italy to be placed upon the Italian tomb of the unknown soldier.

CANADIAN MOUNTED POLICE

Charges Made by Two Former Cabinet Ministers at Ottawa

FROM OUR OWN CORRESPONDENT

Montreal, Quebec, Feb. 16.

The progress of the Unemployment Insurance Bill at Ottawa has been slow. It is now in the second reading stage, and the members of the Opposition are showing signs of persistent obstruction. While Mr. Mackenzie King gave the Premier assurance that the Liberals would co-operate in every possible way to expedite the passing of the bill, he was shown in the past week that his reforming zeal can wane very rapidly in the face of political considerations. The Liberals feel that they can gain a few points in the party struggle by throwing cold water on the first item in the "New Deal" legislation, and they may attempt merely to talk the bill out.

The first comments on the bill showed that most of the members of the House were not entirely satisfied with its terms. It was claimed that it is not sufficiently inclusive; that it debars certain classes of labour from its privileges that very much need a greater sense of security; and that it may be more expensive to operate than is presently estimated. Such objections are important, but they do not present insurmountable difficulties. A proper study of the bill, clause by clause, by a joint committee of the House, might give ample opportunity to correct the main weaknesses.

In any far-reaching social legislation of this sort, it would seem the duty of all the representatives to co-operate fully, and enact a law that will be for the good of the people at large. Instead the old habit of bickering back and forth, and of indulging in personalities when the country is crying for policies, has taken hold of a number of the leading members in both the main parties. The reports of the daily proceedings in the House are rather depressing; it seems as though, with so much to do, there is little evidence of the will to do it.

A Labour Reform

Notice of a bill to enforce the eight-hour day and the 48-hour week in Canadian industry has now been given by Mr. Bennett. The terms are not too severe, as they allow for emergencies in operating, and even for extreme pressure of orders. Provision is made, whereby the normal 48 hours may be exceeded, if the whole week's work does not exceed 48 hours; it is also within the new law to operate more than 48 hours in a week, as long as the average for three successive weeks is not above the limit. Special provisions are also made for the carrying out of processes of manufacture that require continuous operation by shifts of workers; but here it may be said that the majority of shift workers already enjoy the eight-hour day.

It is too early yet to predict what fate this proposal will have. The stumbling-block will be the labour legislation of the various provinces and the lack of enthusiasm on the part of some manufacturers. For it is very generally felt that overhead costs will rise in many plants if the shorter day is adopted. Your correspondent rather inclines to the view that, in many cases, greater efficiency in the workers will compensate for the change in the period of labour. Rigid attention to the problems of waste time for both men and machines might more than compensate for the apparent loss of productive hours.

Mounted Police Criticized

A serious criticism of the methods of the Royal Canadian Mounted Police was aired at Ottawa yesterday. Two former Cabinet ministers charged that "third degree" tactics had been employed in order to obtain confessions from unwilling prisoners; they were Hon. P. J. Veniot, of New Brunswick, and Hon. Ernest Lapointe, of Quebec, and they declared that the force was being over-militarized.

While the cases cited were not ones in which physical violence was used in order to secure the information desired, the moral suasion cited was just as obnoxious to the cause of justice. When evidence is produced after threats of violence or other harm have been delivered, it cannot be said that the finest principles of law are being adhered to.

Within the past few years, as I believe I have pointed out before, the work of the R.C.M.P. has greatly expanded. Not only have they been kept very busy in dealing with smuggling of liquor and other valuables along the border and the coastlines of Canada, but several of the provinces have arranged that the federal force take over the policing of the sections that were formerly under the jurisdiction of provincial officers. All of this has resulted in a rapid expansion of the force, and

it is possible that the former high standards of admission and training have not been fully maintained. Such a condition is an unfortunate one, as the record of the "Royal Mounties" up until now has been emblematic of the finest type of justice and square dealing.

Sun Life Report

The annual report of the Sun Life Assurance Company is always interesting, since its activities and progress mirror to a great extent the financial condition of the Dominion. The statement presented recently by Mr. Arthur B. Wood to policyholders and shareholders was most encouraging, and showed distinct evidences of the industrial improvement that we have been awaiting. Life insurance has stood as a bulwark of security in this and other countries during the years of depression, protecting many thousands of people from the worst effects of the adverse conditions that have prevailed, and now that the worst of these conditions has been passed, public appreciation of life insurance and life insurance services is being demonstrated upon an impressive scale. One of the most striking evidences of recovery is to be found in the increase in group life business, a development which indicates clearly a renewal of confidence in the future of industry and a natural increase in the number of persons employed. Another encouraging factor is found in the reduction of loans applied for and in the repayment of old loans, the cash repayment being 31 per cent. greater in 1934 than in 1933. This clearly implies that the policyholder, as a rule, is in easier circumstances.

The Montreal "Gazette," in commenting upon the fine record of the Sun Life, says in part:—"While governments are experimenting with social legislation of various kinds, and notably in the insurance field, it is interesting and instructive to note the scale upon which the needs of persons of moderate means have been met and are being met through the regular services of established companies. For example, the Sun Life Company last year paid out \$88,000,000 to policyholders and of this great sum 85 per cent. was in amounts of under \$5,000 with an average under \$2,000; in other words, the benefits of this enormous outlay were spread over a very large field of comparatively poor people, certainly of people who could not be classed among the rich. The company itself has strengthened its position materially, taking full advantage of the betterment in general conditions. The assets of the company now stand at \$695,000,000, an increase of \$41,000,000. New paid-for business exceeding \$236,000,000 represents an increase of approximately \$20,000,000. Cash in banks amounts to another \$208,000,000, while fourth among the outstanding features of the sixty-fourth annual report is an excess income over all disbursements of more than \$43,000,000. With an increase of business in force amounting to more than \$309,000,000 since 1929, and a total now standing at \$2,748,000,000, the Sun Life more than maintains its position in the front rank of the great institutions of the world."

Spain's aerial networks are to be extended to the Balearic Islands when airlines are established soon between Valencia and Palma and Barcelona and Palma.



SPECIAL ARTICLES

INCONSEQUENCES

By LATRATOR

The news that Shanghai is shortly to see the English version of "Lady Precious Stream" appropriately draws attention to the arrival here of Messrs. Methuen's edition of Mr. S. I. Hsiung's London success. The script is adorned by illustrations in colour by Mr. Hsu Pei-hung and twelve pictures in monotone by Mr. Chiang Yee and also has the privilege of being prefaced by an appreciation from no less a person than Professor Lascelles Abercrombie.

The author himself adds a few words of introduction in order to dispel certain English misunderstandings regarding Chinese drama:

.....Some one, on hearing that I had written for the Chinese stage, remarked that a Chinese play generally lasts a fortnight. His neighbour corrected this statement by maintaining that it last three weeks! I tried to remove their misunderstanding by saying that both were far from the truth and that a Chinese play is no longer than a Western one, seldom longer than *Strange Interlude*, and never longer than *Back to Methuselah*! To my surprise they gave up their difference and joined forces in attacking me. Almost everyone agreed with them, and it seemed that it was unanimously carried that a Chinese play must at least last a whole week, otherwise it would not be considered a real Chinese play!

Then Mr. Hsiung gives a brief sketch of the characteristics of Chinese stage performances, such as the triple bill of eight or nine acts, the absence of a drop curtain, the selection of specific acts of a play instead of a whole play for presentation, the lack of scenery, the intrusion of the property man, and other features which are familiar to people in Shanghai. The property man, Mr. Hsiung recognizes, is not always a source of comfort, but he has his points.

The English stage in the time of Shakespeare, and even later, made no difficulty about demanding a considerable amount of imagination on the part of the audience, but the property man did not find a place in that technique, except by one of those accidents which are apt to afflict even the best regulated stage performances. Indeed, no other person than the great Mrs. Siddons—and, horror of horrors, while she was playing her famous part of Lady Macbeth—was the victim of excessive solicitude which the Chinese actor accepts as a matter of course. In the "Life of Charles James Mathews" the story is told:

Once during an engagement, the evening being hot, Mrs. Siddons was tempted by a torturing thirst to avail herself of the only relief to be obtained at the moment. Her dresser, therefore, despatched a boy in great haste to "fetch a pint of beer for Mrs. Siddons." Meanwhile the play proceeded, and on the boy's return with the frothed pitcher, he looked about for the person who had sent him on his errand, and not seeing her, inquired, "Where is Mrs. Siddons?" The scene-shifter whom he questioned, pointing his finger to the stage, where she was performing the sleeping-scene of Lady Macbeth, replied, "There she is." To the horror of the performers, the boy promptly walked on to the stage close up to Mrs. Siddons, and, with a total unconsciousness of any impropriety, presented the porter! Her distress may be imagined: she waved the boy away in her grand manner several times without effect. At last the people behind the scenes, by dint of beckoning, stamping, etc., succeeded in getting him off with the beer, while the audience were in an uproar of laughter, which the dignity of the actress was unable to quell for several minutes!

Here for once the great tragedienne was at a loss, and experience of the Chinese stage would have helped both her and the audience to have preserved a suitable presence of mind.

"Lady Precious Stream" reads exceedingly well. The story might have come out of one of Grimm's fairy-tales. For the benefit of those

who do not know it, let it be briefly recited. Lady Precious Stream is the youngest of three sisters, daughters of the Prime Minister of China. Golden Stream and Silver Stream are married respectively to Su, the Dragon General and Wei, the Tiger General. Here are the author's stage directions regarding these two gentlemen:

Two Generals in fantastic make-ups and embroidered armour covered with silk gowns appear. Su, the Dragon General, is a famous warrior, because he always wins the battle when the enemy's general knows less about war than he does. Yet he is one of the few great generals who know the truth and never boast about their wonderful merits. He knows little, but enough to be aware of his own ignorance. He belongs to the type of practical soldier who acts and does not talk. Wei, the Tiger General, is also a famous soldier, because he always has the best of luck, though it would be difficult to find a worse general. He knows nothing and does less, but he talks endlessly, and consequently has become famous. His face looks like nothing on earth, therefore it must belong to an angel; hence he is known as the most handsome man in the kingdom. They walk with a military air to the front and stand side by side facing the audience.

The question is how to induce Lady Precious Stream to follow her sisters' example and marry the husband of her parents' choice. In true fairy-tale fashion, having fallen in love with a poetical gardener, she outwits her parents by undertaking to marry the man who catches her embroidered ball on an appointed day. Of course, the gardener has the scales weighted in his favour owing to the unflinching impishness of his lady-love, and then the two display heroic firmness in going out into the cold world of their own accord as a poverty-endowed pair, and when they do return, some twenty years later, he is King of the Western Regions and she is his Queen. They suitably bring their family to their knees and the villain of the piece, the Tiger General, after being sentenced to death, is gratefully delighted to find that his life is spared at the expense of a very sore back, induced by forty strokes of the bamboo pole. This gives his wife, Silver Stream, exquisite joy, and with truly feminine opportunism, she sides with her now triumphant sister:

Silver S. Why don't you sit down? Why do you stand in such a ridiculous position? Wei (in a useful plight). How can I sit down with wounds like mine?

Silver S. (smiling). This will keep you from being naughty for a long time!

The only really disgruntled member of the cast is the unfortunate executioner, whose knife is not wanted and has to be thrown down with an expression of extreme annoyance, since its owner has been deprived of "his day's diversion!"

The time-honoured fairy-tale maxim, "The course of true love never runs smooth," is placated by the introduction of the Princess of the Western Regions, a Chinese Diana, who during the greater part of the eighteen years when the hero was parted from his true wife, managed very nearly to bring off a piece of husband-stealing, but, finding circumstances too strong for her, in the end is perfectly satisfied to make her exit with the Minister of Foreign Affairs on her arm and fully prepared to put him on the vacant pedestal. So the Princess makes a by no means inglorious retirement:

Minister. Your most obedient humble servant the Minister of Foreign Affairs (He bows gracefully to Hsieh). My respects to Your Majesty!

Hsieh. Thank you! Don't stand on ceremony. I want to tell you that my sister, the Princess of the Western Regions, has arrived here to-day and hopes you will welcome her and see that she has everything she wants.

Minister. Yes, Your Majesty! Delighted, Your Majesty! (He turns to the Princess and kisses her outstretched hand.) My sincerest welcome and respects to Your Highness!

Princess (who has taken quite a fancy to him). Oh, thank you! Minister (offering his arm). Will Your Highness come with me?

Princess. With pleasure. (She takes his arm and looks at him lovingly.)

Minister. Excuse me, Your Majesty! Good morning, everybody!

Princess. Good-bye, everybody! Tell me, where did you learn your charming manners, Your Excellency?

(They retire, looking at each other.)

The character drawing in the play is admirable. Here, for instance, is the stage direction regarding the Prime Minister:

..... The Prime Minister, Wang, whose weak character is revealed in this play, has to appear with a natural face without any make-up and wearing a long black beard which indicates that he is not the villain of the piece. In spite of his very long beard, His Excellency is only a middle-aged man who has always found life easy and happy. As he is a man of a peppery temper, he is sometimes cross when he has really nothing to find fault with. He is a strict master in his home, which he rules with an iron hand, though his wife says that he should have some one at his elbow. In government he finds that to rule a nation is much easier than to rule a family. That is, no doubt, why we have so many prominent statesmen in history.

His wife, Madam Wang, is a match for him:

..... a kind lady of uncertain age. To her children she seems to be more than a hundred, while her husband considers her as a mere child. She is one of the women who know the importance of the ancient female virtues: "To obey your father when young, to obey your husband when married, and to obey your children when a mother!" When she finds she can't obey both her father and husband, she always chooses her husband, and, recently, when she found it would be rather difficult to obey both her husband and children, she thought that her husband ought to have his turn to be neglected, because people generally don't want to be always obeyed. By obeying people all her life she has acquired a benignant look and a soft voice.....

And the opening scene between her and her husband suggests strongly that whatever may be the difference between East and West, they have much in common when domestic psychology is at issue:

Madam (sitting down). May I know what is your wish in asking me to come to see you in the garden?

Wang. To-day is New Year's Day. I want to celebrate it in some way. It looks as if it is going to snow. I propose that we have a feast here in the garden to enjoy the snow. And during the feast I hope you will try your best to persuade our youngest daughter to consent to marry one of the young nobles whose suit I have approved.

Madam. Your orders will be obeyed. But I am afraid it will not be of any use, for the young nix is very obstinate. She insists on being allowed to choose for herself.

Wang. Nonsense! It is scandalous for a young girl to choose a husband herself. Our young generation is becoming heedless. What are the teachings of Confucius and Mencius coming to? They study them and then act in defiance of them. (He shows a trifle of anger.)

Madam. She says that "Not to impose upon others your own opinions" is one of the important teachings of Confucius, and she hopes you will not forget it!

Wang (blowing his long beard in a rage). Ph-ew! You have utterly spoiled her! For heaven's sake do not encourage her to rebel against me. (He turns aside and calls.) Attendants!

And, of course, Madame Wang ignores the breach which occurs when her daughter goes into poverty, secretly visits her in her state of grass widowhood, and in a pathetic scene shows her maternal stubbornness:

I am not grumbling about our fate; I only regret that my husband has been unkind. He has two kinds of treatment for his three daughters. Though he used to say that you, to him, were dearer than all yet the way he treats you and your husband is a shame. I love the other two daughters, but I love you much the best. I am getting old and I have aged greatly this year. The remainder of my declining

CHINESE CHARACTERISTICS

System of Dealing with the Surplus Population: The Poor Relations and Hangers-on

By R. W. SWALLOW

The newcomer to China is invariably surprised at the number of assistants employed in a Chinese shop. Each establishment visited is full of fat sleek youths, doing little or nothing, but seemingly content with their existence and undisturbed by the monotony of their surroundings. We wonder how it is possible for the business to support so many people and learn that most of those employed receive only a nominal wage and that even the manager gets a mere pittance, and like the others depends chiefly upon the gratuity which is paid out of the profits at the end of each year.

It is not until later that we discover that the conditions pertaining in the shops are by no means unique, but are in fact typical of the life of the whole of the country.

The truth is first revealed to us in our own households where, in the course of a short time, we find ourselves surrounded by a number of servants and retainers far in excess of our needs, and without great care being taken, their ranks will continue to increase by a silent and almost imperceptible system of inflation. Should we have occasion to search the premises, we will invariably discover that there are several people living there, who are strangers to us, and whose presence is explained by the fact that they are relatives or friends of one or other of our servants. We are told that they are temporary visitors, but in reality they are living there in the hope that sooner or later they will become permanent members of our establishment.

While this is true of conditions prevailing in households controlled by foreigners matters are very much worse amongst the Chinese themselves, and the number of people living in the house of an official or a rich person is truly amazing, for in addition to the servants and retainers there are invariably a number of relatives and family connections, and this is especially so where the

years may be compared to a candle exposed to the wind, which is very soon extinguished. To see you makes me feel young again. My spirits rejoice like a dry, fading plant revived by spring rain.

But Lady Precious Stream herself is, as is fitting, the most delightful character in the whole play. Her sense of humour, her fidelity, her charming assertions of her independence, put her at once in the gallery of the heroines to be remembered. To her it might be fitting to apply Meredith's famous description, "A dainty rogue in porcelain." She is equally adept at pricking the pomposity of her brothers-in-law as she is in twisting her father round her fingers:

Precious S. Since you all seem to be determined that I must marry one of those young suitors, may I ask you dear father, is every one of them rich and noble?

Wang. Yes, certainly.

Precious S. (with a sly look). Are there not one or two among them not so rich and noble?

Wang (hurriedly). No. None. They are all equally rich and noble.

Precious S. Then, dear father, how can I choose? By choosing one, it will be unfair to all the others. To be fair, I think I must refuse them all.

Wang. Oh! (He puts his hand to his forehead.)

Madam. You have outwitted your father, dear child.

Golden S. Very clever indeed.

Silver S. Very silly. I won't have this nonsense! Although I can't find out who is the best man you must find out yourself and make your decision before your next birthday. We are going to have the wedding then.

Precious S. (coaxingly). Dear father, you are the Prime Minister and therefore the most clever man in the kingdom! (Wang is rather flattered and looks pleased.) When the most clever man in the kingdom is at a loss to say who is the most suitable, then how can I, a stupid young girl without any experience, make a decision?

And as she goes off with what her mother regards as a satisfactorily heaped husband, it seems inevitable that he and she should follow the fairy-tale prescription and live happily ever after.

head of the household has taken to himself more than one wife.

The Poor Relation

The opportunities of the poorer members of a family are often a matter of considerable concern to those who have attained wealth or high position, and for this reason many retired officials prefer to live in Peiping or Shanghai rather than return to their native homes. Even this however does not give them complete immunity and the situation is well described by the Chinese saying if you are rich, your relatives will visit you, even though you dwell in the remote mountains.

In nearly all public offices there is a number of persons whose principal occupation seem to be that of drinking tea and the reading of newspapers, and though at times an incoming official will, in the name of economy, make drastic reductions in his staff, it almost invariably happens that the vacancies thus made are gradually filled by his own nominees, many of whom have been foisted on him by high officials, and in a very short time the number of those employed is as great if not greater than before.

The same condition of affairs prevails in many industrial and utility companies, with the result that the success of the enterprise is often seriously jeopardised by the enormous overhead costs. In spite of this however it is exceedingly difficult for the manager to effect economies in the matter of personnel, and though salaries and wages may be many months in arrears, such a condition is deemed preferable to the cutting down of the staff, for such would mean putting out of work, not only various members of his own family, but also some who obtained their positions through the recommendations of important personages whom he does not wish to offend.

Permanent Unemployment

At first it is difficult for the foreigner to understand such a state of affairs, and he is apt to speak unkindly of the efficiency of Chinese business methods. This may be true, but we must not overlook the fact that the Chinese race is a very old one, and that certain weaknesses that are now manifesting themselves in western civilisation have already been in existence in China for a great number of years.

The truth of the matter is that in China there is a permanent unemployment problem, and even at the best of times there is not enough work for a considerable part of the population. In spite of the fact that the infant mortality is extremely high and that at times whole districts are denuded of inhabitants, owing to

(Continued on page 38)



By Appointment

Confidence

Implicit confidence must be placed in the firm who makes your eyeglasses as the layman has no possibility of checking the work. Unless your Optician can command this trust, you are not getting full value for your expenditure.

Lazarus

OPTICIANS

Fellows of the Worshipful Company of Spectacle Makers (England)

Fellows of the Inst. of Ophthalmic Opticians (England)

Freemen of the City of London

52 Nanking Road

ON THE ROAD TO TENGYUEH

A Trip to the Capital of Western Yunnan by Way of Burma

By THORPENESS

(Concluded from last week)

My stay in Tengyueh had already lasted longer than I had intended, but it seemed a pity to leave without seeing all there was to see, and I was particularly anxious to visit some of the volcanoes. Shilo Shan, or Stone Mountain, is the most interesting and lies only six miles to the south-east. By going a little out of our way I was able to see the curious formation known locally as the "Natural Stadium." It proved to be an almost perfect amphitheatre which would need only seats and stairs to complete it as a Roman circus. The floor, which is perfectly flat, covers an area of many acres, and the most natural explanation would be to suppose that the place is the crater of a volcano, though there were no signs that I could see to suggest that it had ever been one. I was told, however, that the site was considered for the holding of the recent exhibition of drill and games but that it was vetoed because it was feared lest the floor would open and swallow up the performers. This is the nearest approach I discovered (if indeed it is one) to any legend suggesting the memory of volcanic activities in the neighbourhood of Tengyueh. The absence of any such legend is curious. The lava beds are obvious new, the vicinity abounds in hot springs, and Tengyueh suffers from frequent and violent earthquakes of a purely local nature.

Attractive Village

Continuing thence, we passed through the village of Shui-dui (Water Puddle) which is also called the Du-ban's Village, because it is the home of the Du-ban, or Governor of Tengyueh. If he has anything to do with its organization it is indeed a monument to his off-praised ability, for it is a model village, and one of the most attractive I have ever seen in China. The paths are well paved and well shaded. The houses are substantial and neatly tiled. There is a lake at the bottom filled with goldfish and embellished with all sorts of steps, bridges and terraces all made of well dressed stone; and over against it, with a background of trees, is a beautiful temple. In many places there are other temples and fine monumental gates or arches, over the road, one of which is the memorial to the Du-ban's mother. I was told that these arches across the roads are often set up to the glory of virtuous widows who have not married a second time. The village of Shui-dui is definitely one of the show places of Tengyueh.

We were descending now from the plain of Tengyueh to the lower On reaching it we passed through the town of Ho-shun-hsiang. One can hardly call it a village because it has a bigger population than Tengyueh itself, though its houses are closely packed and cover a smaller area. Still, it is a big place, and the graveyards and the grassy downs above are extensive. The streets, though narrow, are full of architectural curiosities in the way of arches, gates, steps, terraces, ornamental doors and paved market places. Fat round children play about, old grandmothers bask in the warm sunshine, and the most immense pigs sleep peacefully in the gutters. The latterly is a monument to generations of industrious people, but the tragedy is that in China one generation never dreams of repairing the work of its predecessors, so that every habitation has the appearance of a living ruin.

Lava and Orchids

Over against this town, across the small plain, is the lava flow, with the cone of Shilo Shan sticking out of it. From the alluvium of the plain you step, literally at one stride, onto the edge of the lava. It is really impossible to believe that this lava bed is of any geological antiquity. Bearing in mind the unweathered condition of the lava on the one hand, and the comparatively recent arrival of the Chinese population on the other (they have no tradition of volcanic activities), it does not seem reasonable to think that the lava is five thousand years old. I should say it is less. It seems almost to move towards one in waves and billows from the cone from which it originated. Its almost impossible roughness is traversed by definite paths in many directions, for the bed has to be crossed for one thing, and for another, the lava is extensively quarried. The width of the flow where we negotiated it is at least half a mile, and the lava was wreathed with orchids everywhere. It must be a sight in the rains; but except for grass and flowers, nothing else grows.

From this chaos of stone rises the well defined cone of Shilo Shan to

a height of three or four hundred feet. The slopes are grassy, with light scoriae or pumice lying about which has disintegrated (though only partially) into a rich black soil. There are a good many pines growing on the sides and summit of the peak. The crater is very well preserved, but is not more than a hundred and fifty feet deep; and the side on the north has been blown out of the cup. To the west of the mountain there are three more minor craters so close together that they may be regarded as one. Here the lava is quarried and carried away on bullocks.

The Volcanic Line

The significance of this group of volcanoes at Tengyueh is that they represent, as far as is known, one extremity of that great shaped band of weakness in Earth's crust which continues through the volcanoes of Myitkyna, Popa and Minbu in Burma to the Andamans and so, with craters, mud volcanoes and hot springs at frequent intervals, to Sumatra, Java, the Philippines, Japan, Alaska and down the Andes. With few exceptions, all the world's great volcanoes lie upon this long but narrow band. Though the Tengyueh volcanoes have not erupted in human memory, the place is still subject to frequent and violent earthquakes. This year there have been fewer than usual, but last year they were very numerous, and some of the worst shocks have been recorded through the centuries in the local histories. I had no time to visit the other cones.

The foreign community in Tengyueh is very small, and consists of a few Burmans, a few Swedish missionaries, and two or three Englishmen. As far as I know there is not a single Indian, which is curious since, of course, Burma is crawling with them. But at the frontier, the Indians definitely end. The social atmosphere is very friendly, and the Chinese dinners I attended were really good fun, especially the one given by Mr. Wong in the pavilion overlooking the waterfall. There were twenty-five of us altogether including three Englishmen, and the meal was an elaborate affair of innumerable courses of which only the sambhur sinew, the cuttlefish, and the pig's guts defeated me. I could even have managed the last had I not been told what it was. Every other dish was delicious to my taste, and there stand out a certain minced chicken with walnut, and a pudding of dates and chestnuts. The sea slugs were not bad, and the shark's fin was good. My red shirt and table described me as the Peaceful Major, which seems to have been settled as my Chinese name. The ideograph for Peaceful I was interested to note is the picture of a house with a girl in it, though my experience is that houses with a girl are not always so tranquil. The dinner lasted two hours with spontaneous and unforced fun; and when we got up we put on our overcoats at once and left, getting home, without any tediousness, at 10 o'clock. As I have already remarked, there are points in a Chinese dinner which we Europeans might copy with advantage.

The Sulphur Spring

Duty demanded that I should not leave Tengyueh without seeing the sulphur spring which lies about ten miles to the south. The path runs for some way across the rolling, tomb-covered down-land below Lai Fang Shan, and then descends a curious valley of high mountains whose steep walls fall to a sloping floor of paddy fields. At the end of the cultivated area there is a village and a temple and a river whose accumulated waters gave us some trouble. As a matter of fact we had lost our way rather badly two or three times already. The path seemed bewitched, and finally it disappeared altogether, leaving us to flounder in some fields and to ford the somewhat turbulent river. However, we reached our destination after three and a half hours' going. There are some high bare, steep hills crowding in to form a gorge; and at the base of the highest spur is the hot spring where an unusual volume of scalding water comes rushing out into a circular basin. The ground in the vicinity is all encrusted with sulphur. One or two stone bath houses have been built at a little distance. Our two Chinese guides bathed, and I soaked my blistered feet in the hot water for some time. These springs are reputed to have medicinal value, and they certainly seemed to do my foot most immediate good. The mud sores so treated were the only

ones which healed quickly. These are not the only hot springs near Tengyueh. The whole neighbourhood is full of them.

A Popular Du-ban

On my last evening I had an opportunity of meeting the Magistrate of Tengyueh, and the Du-ban of whom I had heard so much, and indeed the Burmese doctor, Sain I'ing, gave a dinner for the special purpose. The Du-ban, of course, presides being head of the administration of Tengyueh is also the governor of a great part of Western Yunnan. He is a short, stout person with rather thick features, and he is evidently a man of character. I never heard him referred to but with praise and appreciation; and indeed it is a very rare thing in China for a man to be made a high official, who has been done in this case, in his own native district. His habits are simple. He moves about freely amongst the people, and he came to this dinner without any fuss of escorts or chairs. From all I heard he is a man who can be relied upon to take a sane and proper view of any subject once he has understood it, and there are signs on all sides that he spends the revenues on roads, irrigation and other profitable works of a like nature. Tengyueh is evidently lucky in its Du-ban; and I personally found him very amusing and hospitable.

With Few Anxieties

Of course, with cheap money, where even a rich man can run his house for a few pence a day, and where Rs 6 (Indian money) is a living wage for a month, conditions are very simple. With a rather debased currency there is really no wealth; yet the people are reasonably prosperous, and perfectly happy. They do not suffer want, and a few hours work will keep them for many days. They have few anxieties. Much of trade is barter—so many hats for so much cotton yarn; and no provision is necessary against old age when a man is sure of being able to sun himself quietly on his doorstep. The education of children is entirely free. The country is peaceful, and there seems to be little prospect of troublesome modern conditions disturbing the ancestral way of life. And the people are essentially mild. In two years there has been only one murder in Tengyueh. In Burma as a whole we have two or three every day. There is a certain amount of brigandage, but some of it at least may be attributed to the wild Kachins who inhabit the mountains. In 1926 there was a rebellion of Shans during which a number of houses and villages were burnt; and these troubles are apt to break out at any time, but from all I could see the Chinese are extraordinarily forbearing (perhaps because there are few troops available), and the

Sixty Years Ago

FROM THE "NORTH-CHINA DAILY NEWS," OF MARCH 27, 1875.

The importation of canaries into Europe does not date back further than the sixteenth century. A golden cage, filled with these birds, was one of the marvels which Sir Walter Raleigh brought back from the Fortunate Islands, and presented Queen Elizabeth. These birds of a grey nearly as deep as the grey plumage of the European linnet, did not at first gain much attention from their royal owner, and had only one to assist her in the offices of care and affection they required. And she was recompensed by the numerous broods the birds produced, and still more by a singular change which the plumage of the canaries underwent in the royal aviary. Imperceptibly they lost their sombre colours, and five or six years afterwards they all of them wore a liveliest of pale gold which led to their being called "golden birds."

FROM THE "NORTH-CHINA DAILY NEWS," OF MARCH 28, 1875.

We learn says the Hogo News, that the Government has ordered that in future all Imperial Notifications shall be written more plainly than hitherto. The more difficult Chinese characters are no longer to be used, but are to be replaced by more simple ones wherever practicable. This is a step in the right direction, and will we hope prove to be the forerunner of the adoption of a simpler system of orthography than that which at present prevails. Every man, woman and child in Japan who has to read at all has been taught the Hiragana characters, but those who surmount the difficulties of the more complex Chinese characters form but a very small proportion indeed of the reading classes.

FROM THE "NORTH-CHINA DAILY NEWS," OF MARCH 29, 1875.

M. Geoffrey, the French Minister in China, was at Rome a few days ago. Shans in any case are a rather ineffectual people who never carry things to extremes. In all this brigandage and Sino-Shan friction there seems to have been little loss of life, if any at all. The comparison with Burma, as I have remarked, is astonishing. How long all this will last it is impossible to say. With a rise of tariffs there is an increase of smuggling; but apart from this there are no signs as yet that any great change in the ancient and pleasant way of life is to be expected.

The End.

CHINESE CHARACTERISTICS

(Continued from page 37)

floods and famines and epidemics, the population of the country is steadily increasing.

This is partly due to the fecundity of the women and also to the fact that there are no bachelors, while practically every woman enjoys the blessings of married life, either as wife or in the more humble position of concubine.

The vast majority of the people are engaged in agriculture, but the farms are small, seldom exceeding four or five acres in extent, and as the family increases, it is found that the land cannot support so many people, with the result that there is a constant migration to the towns.

Food to be Had

The proof of the vast reserves of population in the country districts was seen during the late civil wars, when the various contending generals had no difficulty in recruiting large armies, in spite of the fact that their men were seldom if ever paid, and had often to suffer great hardships. There was however food to be had, and it was this fact that attracted the men to their standards.

Though the idea has never been properly formulated there is throughout China a tacit understanding that a man is entitled to his food, and though he may be given little or nothing in the form of wages, he is always provided with food, and can claim such from those with whom he is connected.

For example though most of the "princes of the Manchurian provinces" have been "beheaded" for a number of years, yet many of the old servants and retainers were still kept on, and once a month would go to the palace and receive a sum sufficient for their daily needs.

In some cases these pensioners numbered over a hundred, and were exceedingly obsequious when the palaces were sold or put to other uses.

It was by such means that China has tried to solve the questions of surplus population and permanent unemployment, and it has in the past served its purpose to a certain extent. This was especially true in the times

when wages were low and the cost of living much less than it is now, then the presence of a few additional apprentices in a shop or the maintenance of one or two indigent relatives in the house was not a matter of great concern, as the cost was a comparatively small one.

Nowadays however the question is a very different one, for other factors have come into being, such as the high cost of living and foreign competition, which especially affects those enterprises, founded on modern lines such as cotton and flour mills and coal mines.

Obstacle to Industry

A survey of these enterprises through the country reveals a sad condition of affairs, and there are few which are on a paying basis.

In fact it may be said that unless there are radical changes in the methods of administration and the overhead costs are brought down considerably, there is little hope that China will move forward as an industrial country.

The National Government is well aware of the state of affairs and of late there has been a drastic purging in the Government offices, while the staffs of the various railways have been considerably reduced and many other economies effected.

There were of course a number of companies which are run strictly in accordance with modern practice, and it is on these that the future of the country depends.

It is probable that the cutting down of staffs and the running of companies on business lines will in the end help in the solution of the unemployment problem, as it will mean the opening up of new enterprises and an increase in the general prosperity.

Theoretically the Chinese system of dealing with the surplus population has much to commend it, for the burden is placed on the rich and on those who can at least afford to feed and clothe these people, but as we have seen it cannot be applied to manufacturing and industrial enterprises, so other methods of dealing with the problem must be found.

and was received in audience by the Pope. He was accompanied by his wife, who brought with her two young children, her own converts to Christianity, to be presented to his Holiness. A letter to the Independence Belge says that M. Geoffrey is believed to have visited Rome in accordance with the Pope's expressed wish. His Holiness desired a conference on Catholic interests in China, and on the means to be adopted to extend Christianity in that country.

FROM THE "NORTH-CHINA DAILY NEWS," OF MARCH 30, 1875.

We are informed that the members of the Nagasaki Rowing Club have invited the members of the Yokohama, Kobe and Shanghai Clubs to join in a friendly competition at a Regatta in Nagasaki, during the first week in May. The race to be rowed in Canton fairs, was carried by the tide in some way abwärts. Invitation is to be accepted by the S.R.C. and that a meeting of the members is to be held at the Boat-house, to-night to arrange a crew. As the date fixed for the race "Race week" in Shanghai there should, we think, be no difficulty about the gentlemen chosen getting away.

FROM THE "NORTH-CHINA DAILY NEWS," OF APRIL 1, 1875.

The annual meeting of the Shanghai Gas Company was held yesterday. The accounts showed a profit on the year's working of Ts. 26,900. A dividend has been paid at the rate of 11 per cent. for the year, absorbing Ts. 16,500; the remainder going towards the cost of a new gas-works. The balance of the cost is now on loan from the Bank on current account. The Directors expect to pay it off out of earnings in the course of two years. Messrs. Purdon, Hogg, Hitch, and Sir E. Hornby were re-elected Directors.

Yesterday afternoon, the M.M. steamer Hoogly, shortly after getting under way to start with the mails, was carried by the tide in some way abwärts the bows of the French man-of-war La Clochette, carrying away her jibboom, jib-sails, rigging, etc., but fortunately not bringing down any of her top-armor. It appears that the ship and junks moored or at anchor in the river, had hardly swung to the tide, and were lying, as the phrase is, all sixes and sevens; and the Hoogly anxious to have all the water possible to enable her to cross the bar, could not wait until they got into place. An eye-witness states that there seemed ample space for the steamer to pass down safely, extending a few feet from the bows of the French man-of-war to the bows of the La Clochette, but for the peculiar action of the tide, and in endeavouring to avoid colliding with an anchored junk, which of course was where it ought to have been, the Hoogly nearly got on the Pointing shore, an accident which was only avoided by skillfulness of her pilot.

FROM THE "NORTH-CHINA DAILY NEWS," OF APRIL 2, 1875.

The "Singapore Times" hears that it is rumoured that the Governor of that Colony intends to grant a pardon to all the European prisoners who took part in the defence of the gaol during the recent outbreak.

A telegram in the Daily Alta announces the death at Washington on March 11, of the Hon. Samuel Hooper, member of Congress. The deceased gentleman was 47 years of age, and died of pneumonia. He had been a member continuously for fourteen years, and was a Republican in politics. His net worth was estimated to \$400,000 or \$500,000 was accumulated in the China trade.

THORPENESS

Probably something on the Estate was worrying him; anyway he certainly was a poor companion...until I happened to mention THORPENESS.

"Thorpeness," he said, suddenly animated, "used to be the most perfect holiday village in the world."

"And still is," I said.

"Do you know," he went on, "I used to take a furnished house there every time I went home on leave; they always found servants for us and even had lunch waiting on the table when we arrived!"

"Yes, they still do that."

"And they used to serve amazingly good meals at the Country Club there...the chef..."

"They still have the same chef," I told him.

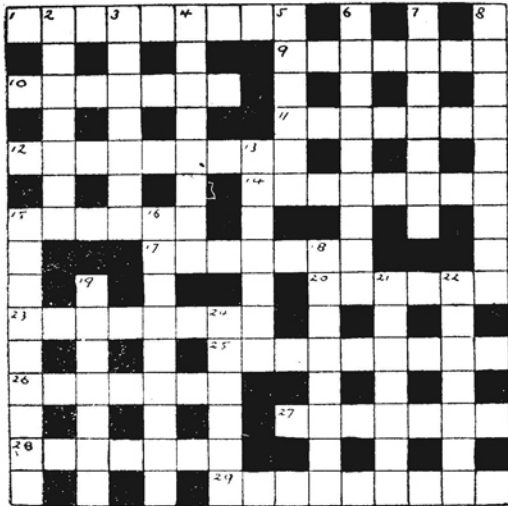
"Well, I shall go there again next time," he said. "I think I'll write by the next mail and see what they can do for me."

"Estate Office, THORPENESS, Suffolk, England, is the address; they're full up all this August, but there'll be room for you later, and I'll look out for you!"

A.R.C.

LONDON CROSS-WORD PUZZLES

(By Arrangement with the "Daily Telegraph.")

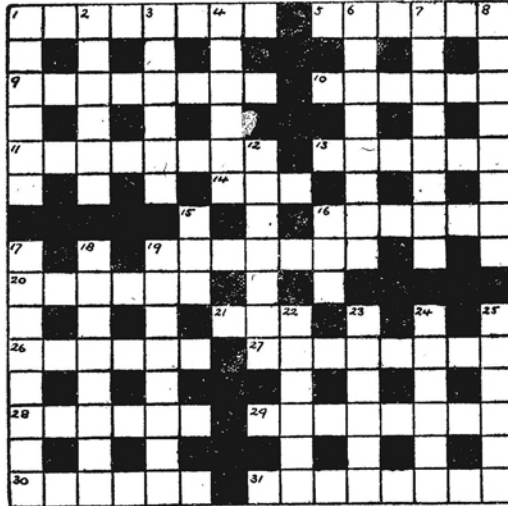


ACROSS

- 1 You may catch other fish with the tail of this one
9 "Sure hit" (anag.)
10 Hardly suitable footwear for a firm footing
11 Character from "Hamlet"
12 One might test the extent of this by degrees
14 Not impossible, by any means
15 A well-known seascape painter

DOWN

- 2 Workers do no work on this
3 An optical change
4 That minute between the rounds, perhaps
5 Might be cast, by the sound of it, for under a sovereign
6 The strain this imposes on one may be a pleasure to bear
7 A sound thing to close one's eyes to
8 Detestation
13 One can just imagine how cool this warrior might be if he lost his foot
15 The chief point of this sport is seen in the fall
16 Route
18 "Vines" age" (anag.)
19 There's witchcraft in this form of straight-forwardness
21 Labour
22 Indisposed in vain, the bad lad!
24 Not unlikely



ACROSS

- 1 A hero of the main, perhaps, are not essential for this opera
9 Subtle points might make presents for a mere man
10 This officer deals with money, and if he loses his last letter can still hold it
11 Might be described as a movable keel on the side of a vessel
13 Part of a gun
14 Tree
15 Shell fish
19 The kind of preposition from which you may get the more muddled
20 Showing lack of caution
21 This 16 down are the enemies of the American police
26 Epithet for that ghost story
27 It takes a man and a bird to make this plant
28 Famous German chemist
29 Derby winner that would sound sad to a Highlander

DOWN

- 1 A mild sort of bait for river fish
2 Wine is this, says the Old Testament
3 Material
4 Fruit
6 A great attraction at the London Zoo
7 A pretty fair rubber, perhaps
8 Suitable pipe for the Communists, perhaps
12 Propriety
15 The retriever that is 21 across this is not of much use
16 The human part of 5 across
17 Epithet for the all-round athlete
18 Implement that is very small in part
19 No, not a hunter for furs but a monk
22 The unfortunate owner of a vineyard
23 Skilful
24 What the reservoir the broke loose did, and perhaps the reason
25 Network

The solutions will be published next week

SOLUTION OF LAST WEEK'S PUZZLES



A Country Diary

March 24.—Here is a curious thing to think about. Our winter season has been unusual, and our spring is ahead of its time.... some people say a month, while others, more conservative, say "weeks". I say nothing.... but try to record the facts. The main point is, if we are weeks ahead of our season, what do the birds do about it, for they are creatures depending for their very lives upon the seasons? If a human being is discussing a holiday resort he says "it is too hot there now", or, "it will be warmer later",.... and times his visits to meet his needs. According to such human arguments, should not the Swallows be early in such a season as this? Now let us see what happens. I have said previously that these migrants usually arrive about the March 22. (Spring Equinox) and that last year the first were seen on March 24: in particular a pair which built their nest last year beneath the eaves of a little cottage, well known to me, arrived exactly on that date. I combined the country from March 20 to get a sight of a Swallow.... and did not see one. To-day, March 24 exactly, I saw a little band of six.... another of four.... and finally, at this cottage, a pair of Swallows circling round the last year's nest. How can I explain it? I can only believe that the Swallow has some uncanny knowledge of our solar calendar based on principles unknown to us.... and that he follows that calendar rather than his own judgment. But whenever I try to write of swallows I feel at a loss: how can I describe that breath-taking moment when you see the first of these birds hurtling through the air.... like some messenger from a land of sunshine.... and know that another summer is on its way? No writers that I have ever read have described these things fittingly. Shakespeare, who was obviously a bird lover, was getting near the mark when he spoke of "....Daffodils, that come before the Swallow dares, and take the winds of March with beauty". But even that great master of English did not tell us what he thought about the first coming of the Swallows.

March 27.—A hurricane of wind, accompanied by rain, created havoc in the country last night; so I went out this morning to view the wreckage.... and what a tale of woe I found! One lady Blackbird of my acquaintance is sitting, plastered with mud, on an exposed nest which is threatening to collapse beneath her. She rushed into matrimony rather early this year, and her melting eye now says more clearly than any words could say it "Oh! I wish I could go home to mother!" Johnny Rook and his bride, too, are having a terrible time: being young and inexperienced, they were building a small and flimsy nest (not like the elderly Grandpa Rook in the next tree puts eighteen inches of foundations below his).... so this was all blown out of the tree last night, and now they have to start all over again, wet and discouraged. And Jenny is thanking her lucky stars that she had not yet laid her eggs. But in the case of the Magpies, actual tragedy has happened, for they have been nursing babies for weeks past. "Rockabye Baby in the Tree-top" is nothing.... for I regret to state that in three cases, "Down came cradle and babies and all". And to make it even more sad one of the victims was my friend Maggie. She is, of course, young and inexperienced (and a bit flighty too, I fear) so she finished her nest hurriedly without proper foundations and without building round one or more strong branches (by way of an anchor) as any wiser Magpie would have done. So last night her nest just blew out of the flimsy little Poplar in which she had built it: she had only managed to rear two babies out of the five eggs she laid, and these, with the usual beginner's luck landed on the ground unharmed: they are now being fed by hand.... and don't seem to be a bit grateful.... but that is another story. And so March may be likened to bad actors who have reversed his stage directions: for he came in frisking like a lamb and is now making his exit like a lion.... roaring.

March 29.—With so much trouble around me in the bird world, I am glad to be able to record a humorous incident which took me back swiftly but surely to the days when Nursery Rhymes were my only literature.... as I will try to record. Looking through my window I saw that dreadful tortoiseshell cat which sometimes lurks in my garden to catch the birds which have become my friends: it was hiding beneath the lower branches of a cedar tree: across the lawn hopped a female Blackbird, wife of the yellow-billed songster who wakes me every morning: the lady skipped and ran.... head on one side, wings drooping,

IN PARENTHESIS

Bee Busy Again

The following despatch is from In Parenthesis's special correspondent at large, at present doing London:— Dear I.P.

Well, if anybody wanted to get an eyeful, all they had to do was drift out to the Olympia or the White City last week and take in the British Industrial Fair—in simple, contemporary letters, the BIF.

What a Fair! Everything was there from soap to diamonds, and according to the papers, which I don't always believe, but according to my own observations, which I do, it was a huge success. Only buyers were admitted during the day, the general public getting a look-in after 4.30. There were 144,417 buyers admitted during the display. (That 7 is me, because if I had not gone it would be 6. I know I was counted because as I went through the turnstile I got a spank, sort of a half-fellow-well-met push from the turnstile arm back of me.) Everybody in attendance at the Fair seemed to be in holiday mood. They laughed and joked and took no end of pains to display and explain things. There were row after row of attractively arranged booths as far as the eye could reach. On one occasion when asking an attendant for a certain booth, I was told "about 700 yards straight ahead."

I want tell you about everything, simply refer you to a 700 page book covering the displays, but I might mention a lightning bridge calculator that did everything but pay your losses, a patented cellarette that did everything but drink the drinks, bottles sliding in and out and glasses all arranged and ready. Your Macnab Plaid blanket was woven right before your eyes and the dried fish didn't fall off the wall during the process either, there was the largest piano in the world, weighed one ton, all silver for the Silver Jubilee, there were pianos one could play lying down, I suppose for invalids, but also possibly so one could play one self to sleep instead of having the fellow next door do it, and then going from the sublime to the ridiculous and to keep one from forgetting that this life is a hard one, right next to the giant piano was a booth full of shaving brushes, hundreds of them standing up like so many thistle blossoms and old master Badger, bespectacled and shalshing his fore feet to tell you all about how they plucked him to get their bristles. There were displays from Canada, India, Australia, South Africa, and a lot of other places I can't spell and don't care.

Prices seemed very cheap, often a wholesale price on an article carried a further discount for export. The Queen went twice, walked six miles a day, so they said, but if standing could be computed into miles, I wouldn't be surprised but what she stood another six miles. The poor Maypole was there one day when this Nobody At All was there, he walked in a sea of high silk hats, flunkies, striped trousers and people.

Then there was the fashion parade. Seals were free, but you had to have a ticket, so by sheer luck I wangled a Press Seal. I found the word Shanghai an Open Sesame everywhere. That was nice because I have often found it considered rather an Open Sewer.) Some of the mannequins were very pretty and some were not. Oh Yes, and the fashions, they were the same. You'll be interested in hearing about one of the

obviously in search of the early worm. The cat crept out stealthily, like any tiger.... ready to pounce on its guileless prey. But just then my yellow-billed friend gave his sharp alarm cry and came into action. The cat looked up with forepaw balanced ready for a swift snatch.... Mr. Blackbird screamed and swooped, giving the cat a sharp nip on the nose. Exit cat wiping wounded nose: exit Mrs. B. screaming loudly. I laughed and was smothered with thoughts of childhood days when I read the stirring story of a Monarch who was served with a Blackbird Pie.... thoughts which went something like this:

The King was in his counting-house, counting out his money, (I wonder where he got it from?)

The Queen was in the parlour eating bread and honey, (A delightful occupation when you come to think of it)

The maid was in the garden, hanging out the clothes, (How useful: and I hope she was)

When by flew a Blackbird and snipped off his tail! (The Blackbird is obviously a born nose-snipper)

All of which goes to prove that our ancient historians who expressed their thoughts in Nursery Rhymes were accurate students of Nature.

models. When the mannequin came out she had a nice long train, then half way down the runway, she unhooked the train from around her waist and put it on as a cape, then she must have felt a draught and wound it all around her neck like a wrap. I could just see somebody going out of the Little Club all tangled up in the thing.

J. Lyons & Co., Ltd., had the concession to feed the multitude, which makes me think, I don't believe there is a place in London but what, by leaning out of the window and whistling, you couldn't get a roll sent up from a Lyons store. I wouldn't be surprised but what one day London would be called Lyons (spelt with an l possibly.) Getting back to the Bif, these eating places were always crowded, so it was a relief to see the signs "This way to the Overseas Club," where one could toll in easy chairs and eat their tea in peace. There was a host who made everything as pleasant as possible, who invited one to make the club their home, advertised that letter writing, phoning, etc., was free, only refreshments were charged for. I didn't know anybody to phone and as I wasn't in the mood to write letters, I just had to sit down and refresh myself. After which I had strength enough to get home.

BEE DAZZLED.

Answers to Correspondents

RATEPAYER:—Thanks for the compliment. We reckoned that if In Parenthesis went to the aid of the B.R.A., etc. the ticket would be elected. But we are not going electioneering next year. Most certainly not, my boy! We are going to stand for election ourselves. The maintenance of a column like this demands that we should study comedy at its very sources.

Enquirer:—No, we did not vote. There were too many names on the voting card and we did not like to offend anyone by not voting for him. Father of Six:—We agree. Candidates' statements of policy are generally poor reading. If they'd only tell us a funny story or two instead it would have a much better effect.

The Message

The negro preacher had successfully concealed the fact that he had served a term in prison, but years of upright living had not destroyed his fear of exposure.

One Sunday, on rising to begin his sermon, his heart sank on seeing, in one of the front pews, a former cell-mate. Quick thinking was necessary. He fixed his eye on the stranger and delivered himself slowly and impressively.

"Ah takes mah text dis mornin' from de sixty-to' chapter an' de fo' hundreth verse ob de Gospel ob Saint John, which says: 'Dem as sees Me an' knows Me an' says nothin', dem will Ah see later.'"

Some Rainfall

While spending a day at the seaside, an old lady from a country village was standing with a friend on one of the piers bounding the harbour. The season being over and the tide out, little was to be seen but mud and a few boats between the strong stone structures.

Repeated showers coming on, however, the old lady and her friend sought shelter indoors for a few hours. When the weather cleared and they went to the pier again, the tide was nearly at its full height. "Good gracious!" exclaimed the old lady. "What a terrible state you must get in after a good long rain! Why, even what come wif a few showers is nearly filled t'arbour!"

The Oversight

He brushed his teeth twice a day—with an extensively advertised tooth paste.

The doctor examined him twice a year. He wore his rubbers when it rained.

He slept with the windows open. He stuck to a diet with plenty of fresh vegetables.

He relinquished his tonsils, and traded in several worn-out glands.

He golfed—but never more than 18 holes at a time.

He got at least eight hours sleep every night.

He never smoked, drank or lost his temper.

He did his daily dozen daily.

He was all set to live to be a hundred.

The funeral will be held next Wednesday. He is survived by eighteen specialists, four health institutes, six gymnasiums, and numerous manufacturers of health foods and antiseptics.

He had forgotten about trains at level crossings.

THE BOOK PAGE

A VALUABLE BOOK

THE MONGOLS OF MANCHURIA Their Tribal Divisions, Geographical Distribution, Historical Relations with Manchus and Chinese and Present Political Problems.—By Owen Lattimore. With Maps. Allen & Unwin, London, 8/6.

This is an exceptionally valuable book which demands special attention at the present time. Mr. Lattimore has made Mongolia his own subject, and here he sets down information in the form of a historical survey for the enlightenment of students of Far Eastern affairs. Numerically the Mongols are important as the largest racial minority in Manchuria. Mr. Lattimore estimates that their population is about two millions, and he argues that its importance has been usually minimized in order to enhance the value of the Chinese character of Manchuria. The Mongols, says Mr. Lattimore, are referred to as

...forming from three to five per cent. of the population, or in terms of population per square mile, which makes them appear inconspicuous and creates the impression that all that surplus land ought to be taken away and given to somebody who could use it. This is unfortunate, since the Mongol question is properly understood unless land, people, history, and position are all considered, and unless possibilities of economic development other than colonization are fairly appraised.

The strategic importance of the Mongol territory of Manchuria is analysed and thus considerable light is thrown upon the political developments of the last few years and the possibilities of the future. The new Mongol province of Hsinan, which is the largest in Manchukuo and the most remote from immediate Japanese influence, emphasizes the use of the Mongolians as allies. It is exceedingly important for the Japanese and the administration of Manchukuo to keep on good terms with them. The Japanese policy, Mr. Lattimore suggests, will be directed towards establishing with the Mongolians a favourable comparison between Manchukuo and the essentially generous policy of the Soviet Union towards Outer Mongolia.

If the Mongols of Manchuria should be antagonized by Japan, they could infinitely increase the difficulty of handling the frontier problems of Manchukuo. If, on the other hand, they are won over to Japanese policies, they can be made the most effective possible screen between the Japanese and Russian spheres of influence. At the same time, by reflecting the sympathy of the Mongols who are still under Chinese domination, they can extend the influence and prestige of Japan and Manchukuo far out on the frontier beyond the borders of Mongolia, thus cutting off the Chinese approach to the *terra incognita*, and checking communication between China and anti-Japanese movement in Manchukuo.

Nevertheless, there are certain Japanese ambitions for building up a continental power including all Mongolia in order to obtain a dominating direction of policy towards China or Russia. Mongolians support this view in the belief that a Japanese alliance would enable them to restore the old position of hereditary princes.

As for the Mongols, they have been faced for a generation by the hard alternative of Russia or China; but the action of Japan has broken this opposition and instituted a tripartite balance of power. If, say the Mongols, who believe in the old Turkish way of defiance to all comers, the Mongols fall back on themselves as did the Turks under Kemal, and set Russians, Japanese and Chinese all against each other, then they may yet retrieve a truly Mongol Mongolia; but for this they need a leader who will seem like Chineseis Boeda returning out of history, and at the same time be as modern as Kemal, the savior of the Turks, and no leader of this caliber is yet evident.

Interesting observations are made on Chinese colonization of Manchuria, and on this point Mr. Lattimore remarks:

An astonishing proportion of the "virgin prairies" colonized by the Chinese during the Manchurian expansion which appeared so miraculous to the outside world, consisted of land already cultivated by the Mongols, often for a generation or more. It was they who had developed it from virgin prairie to successful cultivation. It was land that had been Mongol for centuries. They had acquired it in private ownership by formal and regular agreement, duly paid for and registered, with the officials of their own people. They were told, however, that the soil of Mongolia did not belong to the Mongols. It belonged to the Chinese nation, and title of private possession could only be granted by the Chinese Government. "Officially," therefore, the land which they had paid for and had been cultivating was virgin prairie and part of the public domain. They must either buy it all over again from the land commissioners in charge of surveying the "wilderness," or get out.

Hence came enormous fortunes made by Chinese officials out of Manchuria, and in the long run led to the debacle of 1931 owing to the inability of the Chinese Government to ensure fair treatment for the Manchurian farmer and peasant.

The Mongolians themselves have suffered heavily from internal differences, and the failure of Inner and Outer Mongolia to unite was a serious setback to Mongolian solidarity. The fatal point of Mongolian weakness has been the lack of astute political judgment and, consequently, they have been at the mercy of more powerful nations governed by a definite sense of direction and aim.

The new hope animating the people of Inner Mongolia has been stimulated by the coronation of the Emperor Kang Teh. This action on the part of the Japanese was looked upon with favour by the Mongolians, as they felt it committed Japan definitely to the preservation of the independence of Manchukuo.

For the Mongols especially the recognition of the legitimate heir of the Manchukuo Emperors as the sovereign of Manchukuo is significant. The Mongols had never looked on the Manchukuo Emperors as alien conquerors. The Manchukuo Emperors, in particular, because they had been allies of the Manchus even before the Manchukuo conquest of China, felt that they were equals of the Manchus as founders of the Manchukuo Empire. Moreover a Manchukuo Emperor, or Elen Khasan to use the Mongol term, is a better focus of unity among the Mongols than any Mongol candidate could be. The Mongol princes are all descendants of different sons or brothers of Chinghis Khan, or, in the case of the Kharchin princes in Jehol, of his daughter. There is no convincing reason why one of them should be made supreme over the others. The original recognition of the Manchukuo Emperors as overlords of the Mongols was largely the result of negotiations to end the fighting among different descendants of the heirs of Chinghis, and consequently the heir of the Manchukuo is still regarded by conservative Mongols as the natural Emperor of the Mongols.

The autonomy movement in Chinese Inner Mongolia has for its inspiration the practical bargaining instinct for judging whether better terms can be obtained from the Chinese Government than from Manchukuo. Mr. Lattimore feels that,

It is also plain enough that from the point of view of Manchukuo it would be better not to instigate a rising in Chinese Inner Mongolia, but to come to the support of a rising which the Mongols themselves had begun. If the Mongols were to rebel outright against China, they would have to appeal to Manchukuo for support. From the point of view of the Mongols, however, it would be better to make Manchukuo (and therefore Japan) commit itself first by supplying arms and offering open support. This would be a guarantee that the Mongols were not being used simply to bring bargaining pressure on China, and would commit Japan and Manchukuo to a permanent policy of support for the conservative Mongols under terms favorable to the Mongols themselves.

The fundamental point which Mr. Lattimore makes is that no Japanese continental policy can be applied without an active Mongolia policy. But he sees grave danger in the prospect of civil war in Mongolia itself.

...Undoubtedly, the pick of the Mongol nation to-day are the young intellectuals who believe that a successful revival of the Mongols can not be achieved by patching up the old order; that it demands the "liquidation" of hereditary princes and at least a thorough reform of the Lama Church. These leaders of the younger men are to be found throughout Inner Mongolia as well as in Outer Mongolia.

On the other hand the conservative leaders, the princes and the high lamas, are most of them honest and patriotic men, and some of them are very able. Their trouble is that they are born out of time, for the old tradition is now decayed, and it will be hard, though it may be possible, to make it clean and strong again in time to lead the nation as tribal feeling believes that it should...

The initiative lies with Japan; and while Russian policy is necessarily defensive, Japan may be inclined to go forward in Mongolia with results prejudicial to the peaceful solution of the problems which must inevitably become more insistent as the advancing pressure of Japanese expansion asserts itself.

As for the character of the Mongolians, the author has great sympathy with a hardy and energetic agricultural people. The tribal traditions tend to weaken their powers of combination, and they have their defects which become specially marked when contact is made with other nations. Proud of their past, and skilled in coping with the asperities of nature, they present, however, an attractive example of a patriarchal people which has not unsuccessfully kept its balance amid the changing forces of modern civilization.—E.H.

SIMPLE CHINESE HISTORY

THE PAGANT OF CHINESE HISTORY.—By Elizabeth Seeger. Routledge, London, 8/6.

The complaint that modern education in schools has not kept abreast of the expansion of interest in world affairs among members of the general public is met by this book. It is a successful attempt to present the history and culture of China in a form that can be understood and appreciated by children between the ages of eleven and fourteen. Not so many years ago the nations of the Far East found their way into historical curricula only because, and in so far as, nations of the west had fought wars with them. Before that, so called "universal" histories contented themselves with admitting the Far Eastern nations existed, apparently basing their admission upon the fact that Europe had more than once been threatened by invasions from those regions. The peoples of the Far East were either described as ferocious, or on the contrary, as peace-loving and devoted to the arts. The world owed to them silk and beautiful porcelain, both of them luxuries. And that was about as far as the importance of this part of the world went.

This idea undoubtedly persisted up to comparatively recent years, in spite of the fact that the Far East was growing in importance in world politics and Japan had risen to a first class power. To combat this tendency various attempts were made to inform young people of the civilization at the other side of the globe. But it was found that no adequate books existed. There were plenty of works that could be studied by the serious, adult scholar. Many of these were so involved that even serious students were puzzled by them. It is to meet this need the author prepared a sketch of Chinese history for the classes she was teaching on the Dalton Plan, and out of this sketch grew this book.

Perhaps in the simplification some sensitive critics may perceive material that will perpetuate the western belief that the orient is something like a museum, curiosity—that the Chinese always do everything the opposite way round, for instance. But so sympathetically is the whole story told that, in the view of this critic, the danger of this is very slight.

The book stops short at the revolution. The reason for this can be easily understood. To most people any attempt to describe what has been going on from 1911 to within recent years would only confuse the issue, and perhaps spoil an otherwise fine piece of work.—B.H.

AN AMAZING DIARY

THE SHANGHAI BIRD YEAR A Calendar of Bird Life in Shanghai and the Surroundings.—By E. S. Wilkinson. North-China Daily News & Herald, Shanghai, 8/6.

"Shanghai Birds" is an amazing diary, the result of twenty years continuous and connected observation, set down in a manner at once authoritative and interesting. Without attempting to write an exhaustive survey, and supporting himself either by quoting examples from his own observations or that of acknowledged authorities, Mr. Wilkinson writes with the sure touch of one who knows his subject. He is at once pains to point out that he is no crank, but an enthusiast he certainly is, and though he tells us how easily we too could enjoy this hobby of his, in order to do so thoroughly one would need to be equally enthusiastic. Rising before dawn on a raw winter's morning in order to watch the Little Bunting find its breakfast would definitely not appeal to many, but on the other hand there are few of us who cannot respond to such a thought as—"Where the larks have woven a floating veil of singing across the sky."

To such then the following excerpt from the "Shanghai Bird Year" will carry its own appeal:

When I heard that certain people claimed to have heard the lark in full song in Shanghai, I doubted the statement, but walked miles every Spring to try and authenticate the facts—and at last I solved the riddle. And solve it he did, and to those of us who, though possessing no great knowledge of the subject, still like to know what birds we might expect to see when up-river on the house-boat or out riding or walking in the country, here is the very book and guide we need. A moment's glance over the appropriate chapter, a few scribbled or even mental notes, and our trip or walk will have been made just twice as interesting. So much so that one feels almost a regret that the book is quite a large 220 page library edition and not pocket size.

Six quite brief chapters serve as introduction, both to the subject and to the rest of the book. These opening chapters, though somewhat apologetic in tone, make interesting reading. Mr. Wilkinson's observations on the way in which birds can really "talk" to each other, bear out those made by Ernest Thompson Seton, who not only subscribes to this theory, but in more than one of his books, in addition to "romanizing" the sounds made by

the birds, goes so far as to give the musical notation of these and a "translation."

The bulk of the text concerns itself with a bi-monthly calendar of the birds one might reasonably expect to see at any given date, together with details of their plumage and habits, not to mention their attempts at conversation and their general idiosyncrasies. This sounds somewhat prosaic, but actually the section is written in a most readable and even humorous style, most unusual in a "bird book." It is best read in conjunction with "Shanghai Birds," to which this book is a companion volume.

The third section of the book is a series of very complete and useful indexes, four in all, which cover the subject, so far as it is dealt with in the two books, completely. One of the indexes gives a list of birds, with details, that were not mentioned in "Birds," to which this book is a companion volume.

Throughout the book, brief but apposite quotations from the English poets lead directly to some point the author wishes to make, and give further proof of his wide reading. Altogether an enthralling and interesting book, readable and accurate, and one which should certainly find a place in the home of every lover of the open air, and particularly so if such a home happens to contain children.—H.C.F.

CHINA REVIEWS

THE CHINA JOURNAL.—20 Museum Road, Shanghai, 3/20.
THE CHINESE RECORDER.—109 Yuen Ming Yuen Road, Shanghai, 5/00.
LA REVUE NATIONALE CHINOISE.—33 Fochow Road, Shanghai, 1/00.
ORIENTAL AFFAIRS.—19 AVENUE EDWARD VII, Shanghai, 1/00.
FAR EASTERN REVIEW.—24 The Bund, Shanghai, 5/00 p.a.
THE CHINESE ECONOMIC JOURNAL.—Bureau of Foreign Trade, Shanghai, 1/00.

"The China Journal" for March draws editorial attention to the inauguration of the New Life Movement as now celebrated after a year's experience. The Journal points out that the movement is actually a revival of old virtues which have characterized the Chinese from the days of Confucius and made them a great people.

The Journal contains the usual excellent collection of photographs and articles on sport, art and travel. Of particular interest are the reproductions of Italian paintings originally appearing in the "North-China Daily News."

The chief editorial article in the "Chinese Recorder" for April deals with the Chinese Government's new campaign against opium and drugs.

The conclusion is that the Christian churches should take a positive and co-operative attitude towards the campaign, always remembering that public opinion is the major factor in success. Other articles in the issue

deal with German mission work in China, Mr. Torrance's labours among the tribes on the Western borderland of Szechuan, and the Christian Church in Formosa.

"La Revue Nationale Chinoise" for March gives first place to an article on the Sino-Japanese Rapprochement, by Mr. Wa! Chiao-chia, who points out that there is perfect accord between General Chiang Kai-shek and President Wang Ching-wei on the need for composing the differences between Japan and China and on the benefits which will result from the co-operation of the two peoples. And the argument is that such co-operation is in the best interests of peace in the Far East and the countries respectively concerned. The review contains the usual excellent summaries of press opinions, and breaks new ground by reproducing cartoons, including one by Sapajou and another by the caricaturist of "Shih Hsin Pai".

"Oriental Affairs" this month produces a contemporary narrative of the voyage of the cutter Caroline (100 tons) from Canton to the Northwest coast of America and back in 1799. The narrative is reproduced from a description written for his father by the master and owner of the vessel, Captain Richard Jeffrey Cleveland (1773-1860) and it has been placed at the disposal of the Review by Mrs. Clement J. Smith, of Shanghai, great-grand-daughter of Captain Cleveland. The narrative is a most interesting one and will be continued next month. It throws a vivid light on the dangers and excitements of sailing ships in the 18th century. With the article is reproduced a facsimile of an insurance policy signed by Captain Cleveland's father. The policy insures a ship against various risks of the voyage such as "fire, enemies, pirates, rovers, thieves," and the premium is 75 per cent. Other articles in the Review cover Rabbits in Shanghai, Modern Skyscrapers, Sino-Japanese Relations and the usual output letters.

"The Far Eastern Review" for March reproduces the Minister of Communications' address on Communications in China, has an exposition of Manchukuo's Open Door Policy by Dr. Inui, and also gives a full report of an address given by Mr. Saito to the Council of Foreign Relations in Chicago on Russian Influence in China. Technical articles include Major O. J. Todd's report on Water Power Development in Shansi, and Road Construction in Kwangsi, by Mr. Wong Wing Wah. This review is, as usual, exceedingly well produced.

"The Chinese Economic Journal" for March has a valuable review of China's Foreign Trade, by Mr. Ho Ping-yin, and among the special articles is one by Mr. Julian Arnold, on American China Trade Prospects.

EARLY CONSTITUTIONAL DEVELOPMENT IN AUSTRALIA

New South Wales 1788-1856

By A.C.V. Melbourne

439 pp.

25s.

THE CONSEQUENCES OF THE WAR TO GREAT BRITAIN

By Francis W. Hirst

305 pp.

10s.

This is the concluding volume of the British Series in the "Economic and Social History of the World War."

The Consequences of the War are considered under five headings—Politics, Society and Opinion, Budgets, Taxation Expenditure and Debt, and on Trade and Employment. Mr. Hirst's authority as an economic historian and former editor of THE ECONOMIST gives this survey a place among the few really important and comprehensive books that have been published about the War.

WOODROW WILSON

The Caricature, The Myth, and The Man

By Edith Gittings Reid

237 pp.

G35.50

Woodrow Wilson will be a subject for biography for many years to come. Several "Lives" have appeared, but Edith Reid's differs from most since she writes as his intimate friend from outside the world of politics. It is a friendly, lively book which interprets the man in a way that enables the reader to understand his actions.

ENTERPRISE, PURPOSE AND PROFIT

Essays on Industry

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Pp. 200

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Dealing with Motive and Interest—Sanctions of rationalization—Enterprise and the Trade Cycle—Risk of Enterprise—Some aspects of rationalization—Rationalization and the Coal trade: the Cartel Model—Profit and Mutual Trading.

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By H. S. Goodhart-Rendel

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The Slade Professor of Fine Art at Oxford here offers a brief and lucid introduction to the Fine Art, in four lectures on 'The Materials of Art', 'The Making of Art', 'The Enjoyment of Art', and 'The Criticism of Art'.

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Shanghai Race Club's Second Extra Meeting held on March 23

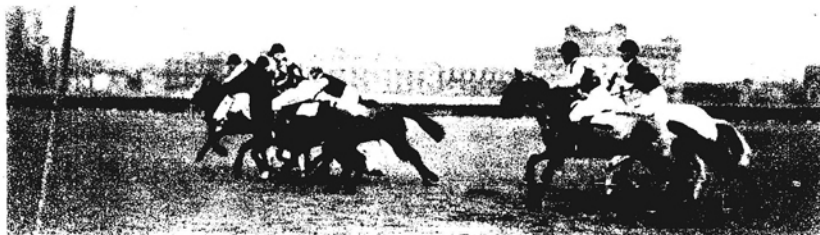
N. C. D. N. Photographs



Mr. A. W. Burkill, Chairman of the Shanghai Race Club (right), chatting with Mr. W. M. Howell, Chairman of the Tientsin Race Club.



Spectators at the Grand Stand, several of whom are evidently "in the money."



The start of Hunters Steeplechase. Kilmartin on Limelight and Alee White on Camera can be seen in the foreground.

Sculptures by Lucile Swan, who has lived five years in Peiping and has reproduced every Chinese type



The Goddess of Tai Shan.



Sword Dance.



Madame Chu-Kwan-Mu.



A Mandolin Player.



Dr. Hu Shih.



Acrobats.

The Fidgets

VIGNETTES OF LIFE

By J. NORMAN LYND



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THE WOMAN'S PAGE



Shanghai, Mar. 30.

What is this thing called love? The matrimonial wave seems to be continuing unabated in Shanghai, in spite of thoroughly unportsmanlike behaviour on the part of the weather. Instead of balmy breezes and buds bursting into bloom, brides-to-be are collecting their trousseaux in an atmosphere of icy winds and drizzling showers. Showers of a much pleasanter variety also descend upon them in Shanghai, where the American custom of surprise parties of feminine friends, each bearing a gift for the future establishment, is a very popular one. After a series of these affairs the average girl usually finds herself the proud possessor of enough linen, kitchen utensils and tea sets to start a young emporium.

Miss Joy Pett has been going through the shower stage all this week, preparatory to the great event which takes place this afternoon at Holy Trinity Cathedral. Miss Pett will be remembered for many years in Shanghai for her performance in "Dick Whittington" last Christmas, rendered even more interesting by the fact that a Pett, very possibly an ancestor of hers, was a close friend of the original Sir Richard Whittington, immortalized ever afterwards as the man who became "three Lord Mayor of London."

Another coincidence—Miss Pett caught the bouquet at her future sister-in-law's wedding about six weeks ago, or rather, she had it planted in her arms by a married lady, who had absentmindedly stretched out an arm at the Mrs. Beare hurled bouquet. The arm lilies down the aisle of the French Club. Miss Pett's fiancé, Mr. Bob Richards, is the son of a member of a very old Shanghai family.

Garden parties. With Love's big affair yesterday and Mr. Gruber's affair on tea on Wednesday, this has been quite a week of garden parties. The weather was far kinder to the former host than to Mr. Urabe, and the Lis' beautiful garden on Avenue Haig was bathed in mid-day sunshine. All the world and his wife were there of course. The charming hostess, with her tiny feet and



MISS ERNA FUNKE

One of the players in the Peking Dramatic Group, as she appeared in "Der Blumengarten."

old-world manner, belongs to a type of Chinese lady now comparatively rare in Sino-foreign circles. The fact that she speaks very little English is no bar at all to carrying on a delightful exchange of pleasantries. You say you love the garden? She is so happy to think that you enjoy the flowers. You are pleased to see her once again? How charming, she is happy, too. You must go? That is very sad, but, come again.

A Gay Affair

Wednesday was the big night for most of the younger set this week, when members of the Light Horse gave their annual dance. Everyone was keen to see what the Race Club tiffin room would look like transformed into a ballroom, and Mr. Edmund Toeg and Mr. Douglas Smart, who were responsible for the decorations, deserve to be congratulated on their efforts. The floor is not the

magnificently sprung affair one dances on at the French Club, but it is well up to the average, and everyone was having too good a time to be critical.

Race Club's Concession

Talking of the Race Club, the new rule admitting lady members in the new Club House under certain conditions, seems to be another step forward in the right direction from the feminine viewpoint. All that is necessary for wives and lady relatives of members is a nomination on the part of their male relatives, who undertake to be responsible for their behaviour! This, husbands and fathers say, is a grave responsibility and requires weighty pon-



MISS ELIZABETH BLAIN

Whose engagement to Dr. James Wood was recently announced.

dering upon. Once nominated, one only pay \$2 a month for the privilege of using the changing room, guests' tiffin room, south half of the garden, and who was to be on the other half any day of the week. The coffee room, however, is still sacred to the so-called superior sex.

Birthday Celebration

Another eagerly anticipated date this week was Monday evening, when Mrs. Chester Fritz celebrated her husband's birthday again this year with a large cocktail party. One always has an interesting time at these parties. Mr. and Mrs. Fritz's friends, comprising as they do, just about every nationality in Shanghai, the majority of them with some claim to fame in artistic and other fields.

Mrs. Alice Tisdale Hobart, Shanghai's distinguished lady visitor of the moment, was there, chatting to Dr. Reiss, who does such wonderful research work amongst the Chinese. Mrs. Florence Ayscough, whose literary achievements are too well known locally to need amplifying, Count and Countess de Courcelles, reminding happily over their European honeymoon, vivacious Mrs. Russell Sun, Sir Victor Sassoon, without whom no gathering of this kind is complete, Mr. E. S. Cunningham, and too many others to remember, drank a toast to their charming hostess and wished their host many happy returns of the day and bigger and better birthdays in the future.

Another very amusing cocktail party was given last night at the French Club by Mr. and Mrs. Percy Comery. Mrs. Comery, the former Miss Gulston, and incidentally one of the most popular members of the teaching staff of the Council, was married very quietly in Hongkong early this year.

And yet another was the housewarming given by Mr. and Mrs. Rodd Moffatt in their new apartment on Rue Maresca on Wednesday evening. This cheery affair was a good beginning to a hectic evening for many of their guests who were going on to the Light Horse Dance.

An "Official" Week

On the whole, this has been a very "official" week with the engagements, cocktail parties and "at home" cards given by one organization or another. The Science

A London Letter

A GARDENING PRINCE: DOMESTIC PROBLEM IN ENGLAND: BOGUS COMMERCIAL TRAVELLERS

By OLIVE DUN

One hazard I guess that when Shakespeare wrote that "one man in his time plays many parts" he had a prophetic vision of the Prince of Wales. Among other occupations the Prince specializes in City Companies. When last night he was made a Freeman of the Worshipful Company of Gardeners (since he went to live at Belvedere by Virginia Water, the Prince has become a very keen gardener), he let it out that he was already a Freeman of six City Companies besides being Master of two.

He is a member of the Musicians Company, "but my only qualification is that I recently wrote a not very good slow march for the pipes." He is Master of the Merchant Mariners, besides being an Admiral, but "would not advise anyone to put to sea in a ship of which I was captain." And he is Master of the Stationers and Newspaper Makers, "but I never produced a newspaper though I feel I have been the cause of a great deal of publicity." His other Companies are the Fishmongers, Mercers, Goldsmiths and Merchant Taylors. How much of the trades of each he could practically follow, he did not say.

Vegetable Output

As a gardener, he spoke with feeling. "Very few people," he said, "realize the huge turn-over of the horticultural industry in this country. Including potatoes, it is now nearly equal to 'straight' agriculture." And possibly much more profitable. With increased transport facilities and increasing numbers of people flocking to the country every week-end, the demand for flowers is beyond all comparison with what it was even ten years ago.

The Prince did not say that the behaviour of many of the nature-lovers is going far to ruin the country, so that bands of volunteer guards are being formed in many places to protect hedges and wildflowers from thoughtless destruction. And of all the crowds, the Londoner, that good-tempered creature who would not hurt a fly, is easily the most destructive.

Private Seats

Private seats, as the term evolved in the days of the railway, are now being used for the Jubilee processions. Seats for the Jubilee processions are being sold in St. Paul's Church, directly on the pavement, at 10s. and 15s. and 20s. and 25s. and 30s. and 35s. and 40s. and 45s. and 50s. and 55s. and 60s. and 65s. and 70s. and 75s. and 80s. and 85s. and 90s. and 95s. and 100s. and 105s. and 110s. and 115s. and 120s. and 125s. and 130s. and 135s. and 140s. and 145s. and 150s. and 155s. and 160s. and 165s. and 170s. and 175s. and 180s. and 185s. and 190s. and 195s. and 200s. and 205s. and 210s. and 215s. and 220s. and 225s. and 230s. and 235s. and 240s. and 245s. and 250s. and 255s. and 260s. and 265s. and 270s. and 275s. and 280s. and 285s. and 290s. and 295s. and 300s. and 305s. and 310s. and 315s. and 320s. and 325s. and 330s. and 335s. and 340s. and 345s. and 350s. and 355s. and 360s. and 365s. and 370s. and 375s. and 380s. and 385s. and 390s. and 395s. and 400s. and 405s. and 410s. and 415s. and 420s. and 425s. and 430s. and 435s. and 440s. and 445s. and 450s. and 455s. and 460s. and 465s. 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